

The NATIONAL UNDERWRITER

MAN produced the modern automobile, sleek, streamlined and powerful. Controlled it contributes comfort, pleasure, profit and speed to modern living. Escaped from its driver's control it becomes a ravening monster with gleaming eyes and slavered jaws, prowling the nation's highways, maiming, torturing and destroying.

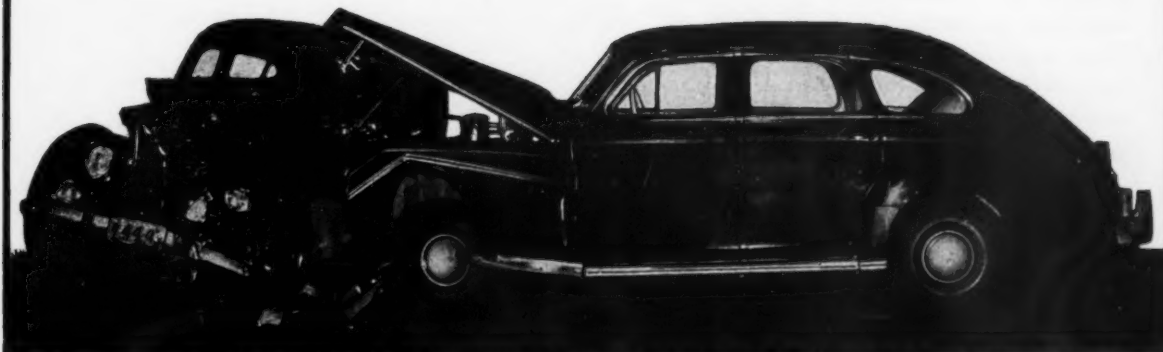
Laws and traffic regulations, aimed to protect our people from the cars they drive, have been passed and faithfully enforced. Safer cars equipped with every known safety device have been produced. But the slaughter continues.

At last all are agreed that the responsibility for safe driving must be pinned on the driver and not on the vehicle. As the first step in recognition of that responsibility, **LOYALTY GROUP** agents are equipped to help automobile owners and drivers provide intelligent insurance programs.

Insurance cannot prevent accidents, restore life, or replace severed limbs. But it can pay for material damages and assume the burden of medical and hospital expenses, loss of earning power, legal fees and damage suits.

LOYALTY GROUP, with its nation-wide facilities, stands ready to help you provide adequate insurance programs for your clients.

THE MONSTER



FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY
The Girard Fire & Marine Insurance Company
National-Ben Franklin Fire Insurance Company
Pittsburgh Underwriters • Keystone Underwriters
Milwaukee Mechanics' Insurance Company
The Concordia Fire Insurance Co. of Milwaukee
Royal Plate Glass & General Ins. Co. of Canada
The Metropolitan Casualty Ins. Co. of N. Y.
Commercial Casualty Insurance Company

Western Department
844 Rush St.
Chicago, Illinois

Southwestern Dept.
912 Commerce St.
Dallas, Texas

Pacific Department
220 Bush St.
San Francisco, Calif.

HOME OFFICE
10 Park Place
Newark, New Jersey

Foreign Department
111 John St.
New York, New York

Canadian Departments
461 Bay St., Toronto, Ontario
404 West Hastings St., Vancouver, B. C.

FIRE-MARINE-CASUALTY-SURETY

Loyalty Group
INSURANCE

THURSDAY, NOVEMBER 27, 1941



IN 1891

■ In 1891 new lands in Oklahoma (formerly Indian Territory) were opened to homestead settlement. The photograph shows settlers awaiting the "Go" signal.

■ In 1891 tourists first experienced the thrill of travelling to the 14,108 foot elevation of Pike's Peak over 47,992 feet of cog railroad on a roadbed of solid rock over an average grade of 16%—844.8 feet to the mile. This mountain, pronounced unclimbable by its discoverer, Lieut. Z. M. Pike in 1806, was successfully climbed for the first time by an exploring party of Major S. H. Long in 1819.

■ In 1891 the Queen Insurance Company of America was incorporated in New York State. For fifty years it has been closely identified with the country's industrial development and has made notable contributions to the rebuilding of population centers devastated by conflagrations, windstorms and other disasters.



Photographs by Brown Bros.

QUEEN INSURANCE COMPANY OF AMERICA

150 WILLIAM STREET, NEW YORK

Beyond is . . . WHAT?

That is the challenging headline of this month's North America national advertising, which tells of the new horizons to be opened to Science at the completion of the fabulous 200-inch telescope at the Mt. Palomar Observatory in California.

Using this newsy subject as a springboard, the advertisement points out the important part played by insurance in the nation's progress in Science and every field of human endeavor.

The message reminds the reader, too, that this helpful service, which North America has been rendering since George Washington was President, is readily available to everyone through North America Agents.

See our full-page advertisement
in the December 1st issue of Life.



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INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA

and the

INDEMNITY INSURANCE CO. of NORTH AMERICA

Write practically every form of insurance, except life.

Capital \$12,000,000

Founded 1792

Losses paid over \$457,000,000

Your Busy Insurance Buyers will appreciate this new service

EVERY AGENT knows from experience that business men who are spending the most money for insurance protection are busy men and they haven't the time to talk things over every time the agent calls.

This situation makes it difficult for the agent. He wishes to keep his buyers informed on insurance developments but at the same time he is smart enough to know that he shouldn't call too often or he may irritate the buyer.

To supplement his personal calls and to let the buyer know he is on the job and in the position to render service is a problem for every agent.

Answer to Problem

The National Underwriter is now providing the answer to this problem by introducing The Insurance Buyers' Digest. This little publication which the agent sends out monthly to his buyers and prospective customers, presents timely insurance comment and developments which keep the buyer informed. The buyer is able to read the Digest when he has the opportunity and is in a receptive state of mind. If it arrives when he is busy he can put it aside and read it later.

Written for Busy Man

Every buyer who is spending considerable money for insurance is naturally interested in the protection he is getting. The Insurance Buyers' Digest is written for the busy man. The items are short and right to the point. They are designed to give the buyer a greater appreciation of the value of his coverage and the service rendered by his agent.

Becomes More Interested

Maybe the buyer is a busy manufacturer who is running his plant at top speed day and night. You have been trying to sell him U & O cover but he has been too busy to go into the proposition. Then the buyer receives a copy of the Digest from you. He glances at the item headed "Prospective Earnings Protection Vital." He considers the points brought out and how they apply to his situation. Maybe he calls you in but even if he doesn't he will be more interested when you bring up the subject on your next call.

You may be trying to sell a fidelity bond to another buyer. It isn't often that such a sale is made in a single call. The buyer reads the item "Prevents Dishonesty and Cuts Costs" in the Digest and you have advanced another step in the sale which represents a substantial premium.

Checks Over Survey Points

Surveys take time and although you may have approached the buyer on the idea, he puts you off until "he has more time." You don't wish to press him too hard so action is delayed. In the Digest he receives from you the buyer notices the item "Survey Service Is Important to Buyers," he checks over the lists of points brought out and the next time you mention a survey he is definitely more interested in the subject.

Building up insurance accounts takes time. Few lines of coverage are sold on the first call. The buyer must be educated to his protection needs. Personal calls, obviously, are essential but in between those calls the Insurance Buyers' Digest can play an important role. It makes 100 calls a month for only \$2 and 200 calls for \$3.50. It can be included in your regular mail so that there is no additional cost postage. Part of the copies can be sent separately to key buyers and the rest sent out with renewal notices.

Render Real Service

By sending a buyer copies of the Insurance Buyers' Digest every month you are rendering your insured a real service. It is something different in promotion. It doesn't ask for orders but it reviews the sales points for various coverages in a low pressured way so that the buyer will gain a greater appreciation for your service and the coverages you sell.

Be First in Your City

Be the first agent in your community to start distributing the Insurance Buyers' Digest. It will add to your prestige, it will develop business and good-will for you and it will keep your service before busy buyers. And the cost is so low that you can't afford to pass up this opportunity. Write today for sample copy of the Insurance Buyers' Digest and see for yourself how it can help you in being THE INSURANCE MAN in your community.

THE NATIONAL UNDERWRITER

175 W. Jackson Blvd.

Chicago, Ill.

Please send a sample copy of the Insurance Buyers' Digest to me along with prices.

Name

Address

City State

The NATIONAL UNDERWRITER

Forty-fifth Year—No. 48

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 27, 1941

\$4.00 Year, 20 Cents a Copy

New Committees Are Named for Agents Body

**F. R. A. McGlynn, B. A.
Calhoun, H. W. Mann
Are New Chairmen**

NEW YORK—The complete roster of standing and special committees of the National Association of Insurance Agents for the 1941-1942 term is announced by President R. W. Forshay. A total of 13 committees, six of which are standing committees and seven special, were appointed.

Altogether, 95 members of the association have been appointed to these committees. Committeemen have been named from all but two of the states represented in the National association and both of these states are represented on the new executive committee.

Appointed for the first time to the chairmanship of standing committees are: Francis R. A. McGlynn, Worcester, Mass., who succeeds Vice-president David A. North as chairman of the membership committee; Ben A. Calhoun, Houston, legislative, and Harold W. Mann, Tacoma, fire prevention.

There have been several changes made in the setup of both standing and special committees. The net result is one less committee than last year, but an over-all increase of nine committee members. The old standing committee on publicity and education has been replaced by the educational division advisory committee, which carries over three members from the old committee, including L. P. McCord of Jacksonville, Fla., as chairman.

Committee on Federal Affairs

Three formerly existing special committees—Home Owners Loan Corporation, U. S. Housing Authority, and war risk—have been consolidated into the committee on federal affairs, the chairman of which is past President Kenneth H. Bair of Greensburg, Pa. The Business Development Office Advisory Council, established early in 1941, continues under the chairmanship of Past President Allan I. Wolff, Chicago.

The committee on modified premium and graded expenses, also named early this year, has not been renamed, but its functions will be carried on by the casualty and surety committee. Ralph W. Howe of Richmond, who served as chairman of the graded expenses committee, has been named as the new chairman of the casualty and surety committee. W. Herbert Stewart of Chicago is vice-chairman.

The only other new chairman appointed under the special committee classification is W. H. Jennings, Jr., Rockford, Ill., credit men.

The only committee carrying over without any change in membership

(CONTINUED ON LAST PAGE)

Experience Data to Be Required

Michigan Hearing Concluded—Cities and Companies to Present Brief

LANSING, MICH.—No matter what the outcome, from the standpoint of fixing rates, of the fire rate hearing completed during the past week by the state rating commission, it appeared probable that the Michigan department will take definite steps to require more experience data in the future from all fire companies.

Frank M. Cordero, deputy commissioner and head of the fire division of the department, said a conference of department officials is planned at which it is probable a questionnaire will be framed to be sent out to the various companies asking about the possibility of providing a more detailed breakdown in the future of their experience figures, both as to loss ratios by classifications and as to cost allocations on a state rather than national basis. It is presumed, Mr. Cordero indicated, that answers to the questionnaire will be valuable in formulating a permanent supplemental form for filing annually with the regular company statements.

Did Not Require Data

It was brought out during the hearing that the Michigan department in the past has not strictly adhered to statement requirements embodied in a commissioners' convention resolution adopted in the early 1920's. Complaints were voiced throughout the hearing by representatives of the city of Detroit, who are seeking a dwelling rate reduction along with a few other cities, that the department has been too lenient in its past demands for experience information. Protests also were voiced at the fact that only 48 of more than 300 companies licensed in Michigan complied with a request last August of Commissioner Berry that special reports be prepared and filed showing loss experience by classifications. Lack of information on company costs allocated to this state was claimed to be a vital deficiency in attempting to arrive at equitable rates for this territory.

The rating commission will give the petitioning cities 30 days to prepare their brief, after the transcript of the hearing is available, the companies will be accorded an additional 15 days for a rebuttal brief and the cities then will be allowed another 15 days for an answer, it was revealed. The time limits will not be arbitrarily enforced, it was indicated, if there is sufficient showing for extensions in any instance. The procedure, however, will occupy so much time that it is improbable that the commission will be prepared to begin actual consideration of the issues before March 1 and Commissioner Berry said this consideration probably would take "months."

Promised Full Information

At the final hearing session, A. L. Barkey, assistant corporation counsel for the city of Detroit, who directed the case for a rate reduction order, demanded and was promised full information

Problems of Insuring Defense Stores Weighed

NEW YORK—Decision of a few of the leading marine insurers to leave the writing of shore risks to fire companies in the case of the huge accumulations of defense materials now being built up in this country would effect such a change even though a number of marine carriers might like to continue covering these goods. The reinsurance facilities represented by the big marine underwriters are essential to the capacity which these large risks need.

Apparently the problem is not so much one of transferring liability on existing risks to the fire carriers but what shall be done when these risks come up for renewal and other similar ones are being written. The fire companies would be quite willing to accept them if the marine insurers held off.

Shift Pondered for Some Time

While the recent Fall River fire strikingly called attention to the concentrations of values that were being built up at single locations, marine men, influenced by the earlier though less costly fires at Jersey City and at the Brooklyn dock where the S. S. "Panuco" burned, had already been considering the advisability of leaving shore risks to the fire companies. The latter are in a much better position than the marine companies to keep a check on the enormous concentrations of value.

If the marine people decide to refrain from covering these shore risks they would be following a practice similar to that prevailing on railroad rolling stock. Marine companies are entitled to write such risks but in view of the special facilities which the fire people had set up for handling railroad business the marine companies have held off.

One angle of leaving the shore risks on defense stores to the fire companies is that the marine companies do not want to give up their right to insure this class of risks. Under the nationwide marine definition the marine companies have the right to insure imports as long as the goods retains its status as an import but not after it enters into manufacturing or processing.

tion on the rating bureau procedure in arriving at protection classifications of cities. Company representatives present at the time said they lacked this information but Deputy Commissioner Cordero indicated he could obtain it from the Michigan inspection bureau.

Otto G. Lindemeir, retiring Detroit fire marshal, and O. V. May of the Detroit building department, stressed the superior character of Detroit's fire protection system.

Hobbs Back on Stand

Russell D. Hobbs, manager Western Actuarial Bureau, Chicago, who had spent much time on the stand previously, was cross-questioned at the final session and was quizzed particularly by Mr. Barkey regarding the relationships between net and earned premium bases and incurred and paid loss figures. Mr. Barkey contended that an Arkansas de-

B. D. O. Makes Study of Record Over 5-Year Span

Little Change in Distribution of Business by Types of Insurers

The total fire and allied lines premiums of all companies, with the exception of factory mutuals, in 1940 amounted to \$1,092,483,850, losses paid were \$441,006,178 for a loss ratio of 40.4, according to a study that has been released by the Business Development Office. In this study, there was eliminated the automobile liability and the other casualty premiums of those companies that write both fire and casualty business.

The premiums in 1940 of stock companies amounted to \$928,324,596, losses paid \$376,051,940 and loss ratio 40.5.

Mutual companies had premiums \$135,006,672, losses \$51,545,829, loss ratio 38.2; reciprocals, premiums, \$27,930,768, losses \$12,881,263, loss ratio 46.1. Lloyds, premiums, \$1,221,814, losses \$527,146 and loss ratio 43.1.

The proportion of the total written by stock companies was 85 percent and proportion of losses paid by stock companies was 85.3. This compares with 84.2 in 1939 for premiums and 85.2 for losses. The mutuals wrote 12.4 percent of the premiums in 1940 as compared with 12.8 percent the year before and the proportion of losses paid was 11.7 in both years. The reciprocals wrote 2.5 percent of the premiums in 1940 and 2.9 percent in 1939. Their proportion of losses was 2.9 in 1940 and 3 in 1939.

Lloyds wrote 1/10 of 1 percent of premiums and had 1/10 of 1 percent of the losses in both years.

Stock Premiums Up 14.6%

The premium increase of stock companies in 1940 as compared with 1939 was 14.6 and the mutual premiums were up 10 percent.

The B.D.O. study covers the period 1936-1940. The authors remark that each year the ratio of losses paid to premiums written for mutual companies has increased from the previous year. In 1940 the mutual loss ratio was only 2.3 points below that for capital stock companies.

There has been no substantial change in the proportion of total premiums written and losses paid by the various types of carriers during the past five years. The B.D.O. states that the pre-eminent position of stock companies is being maintained year after year.

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cision required loss ratios be determined on a paid losses basis. Mr. Hobbs pointed out the advantages of using incurred loss totals from the standpoint of obtaining a true experience picture.

Pursues Anti-Trust Angle in Mo. Case

Justice Department Observer at McKittrick Hearings; Thomas on Stand

Charles F. Thomas, manager Western Underwriters Association, was on the stand as Attorney-general McKittrick of Missouri this week resumed the hearings in his ouster suit against the fire companies in Chicago.

McKittrick's line of questioning indicates that he intends to continue pursuit of the anti-trust angle, attempting to show that the companies control Missouri rates and business through their various organizations. He has for some time contended that the federal government is interested in the case as a possible basis for an anti-trust suit, and R. E. Helms of the Chicago office of the U. S. department of justice is now sitting in on the hearings as an observer.

Thomas on Three Weeks

Mr. Thomas will continue as a witness until the Christmas recess, Dec. 12, and may return when the hearings resume after the holidays. R. D. Hobbs, manager of the Western Actuarial Bureau, will be on the stand again for some time, but McKittrick offered to take Mr. Thomas as a witness so that the latter could get away for his winter trip to Texas with Mrs. Thomas, who is in ill health.

Early aspects of the ouster case have now almost dropped from sight, such as McKittrick's attempt to show guilty knowledge by the companies of C. R. Street's bribery of Missouri political figures to obtain the rate case settlement. He is concentrating on the view that the companies are in violation of the Missouri anti-trust law. Off the record, McKittrick has admitted that the companies may be strictly observing the Missouri rating law in conducting their business and affairs in that state, but he is going to try to show that they nevertheless are violating the anti-trust statute and this statute takes precedence, in case of conflict, over the rating act. At one point this week he brought in a point from the federal anti-trust law. Company men and attorneys have repeatedly pointed to the chaos that would result if there were not some control on the business.

General Agency Contracts

Pursuing the broad, general purpose of "showing a course of conduct" on the part of the fire companies, McKittrick questioned Mr. Thomas relative to the Western Underwriters Association's control over general agency contracts. Mr. Thomas said that the governing committee of the W. U. A. does control appointment of general agencies except with respect to the compensation paid by the company to the general agent. This, he said, is to prevent companies appointing a soliciting agent in order to give the latter more commission, or to prevent appointment of general agents in small territories.

McKittrick said he would like to have a copy of a general agency appointment approved by the governing committee in order to determine the maximum commission paid a general agent. He asked whether the general agent's commission doesn't affect the premium charged the public. Mr. Thomas didn't know since the compensation in such contracts is closely guarded as confidential. Not even another company man is allowed to see it and in many cases it is not included in the copy of the contract sent the governing committee for approval. McKittrick asserted that W. U. A. control over general agency contracts shows its power with respect to commission and its control over general agents who in turn appoint sub-agents. However, he said he didn't want to put a western

(CONTINUED ON PAGE 28)

New N.A.I.A. Committee Heads



F. R. A. MCGLYNN



BEN A. CALHOUN

Two of the new committee chairmen of the National Association of Insurance Agents: F. R. A. McGlynn of Worcester, Mass., who heads the membership committee, and Ben A. Calhoun of Houston, who is in charge of the legislative group.

Underwriters Adjusting Using New Proof of Loss

Underwriters Adjusting has adopted the proof of loss put out by the National Board. Fundamentally the form does not differ from the one previously used by Underwriters Adjusting, except that the various sections are presented in numbered paragraphs, and it is gotten up in a way that will make it easier for filing and checking by the National Board.

Underwriters Adjusting has inserted in the new proof of loss a paragraph stating that "the claimant hereby declares that he is not, by virtue of orders or regulations of the U. S. government, prohibited, as a national of a foreign country or otherwise, from accepting payment of within claims." There has been some concern on the part of adjusters as to the effect of the executive orders of President Roosevelt regarding nationals of certain foreign countries, and Underwriters Adjusting inserted this paragraph to answer the situation. This paragraph is not in the proof of loss promulgated by the National Board.

The new proof has been used for some time by the Fire Companies Adjustment Bureau.

Adoption of the new proof of loss was announced to the seven district supervisors of Underwriting Adjusting when they held their semi-annual meeting in Chicago last week. The supervisors represent the 13 states in Under-

National Fire to Make 10% Allowance to Employees

National Fire, in addition to paying a bonus at this time equal to ½ month's salary to full time salaried employees, announces that it will pay quarterly, commencing March 31, until Dec. 31, 1942, a cost of living bonus amounting to 10 percent of salaries, subject to certain service qualifications. The bonus of one-half month's salary will be paid between Dec. 1-10 to those employed on Nov. 28 and who have been in the service since Jan. 2 of this year. The quarterly payment of the 10 percent allowance on March 31 will apply to salaries from Dec. 1 of this year until March 31 and thereafter the allowance will be paid quarterly.

Name Round Table Participants

One of the features of the "Preview for '42" meeting of the Insurance Advertising Conference in New York on Dec. 4 will be the round table discussion in which the following will participate: Stanley F. Withe, Aetna Life affiliated companies; Arthur Fisk, Prudential; Clark F. Fitzpatrick, U. S. F. & G., and J. A. Gernhardt, National Surety.

writers Adjusting territory. T. A. Pettigrew, general manager, and H. H. Moore, assistant general manager, both spoke at the meeting.

Adjuster-Fire Chief Cooperation on Large Losses

The story from Boston that Massachusetts special agents may recommend to the National Board that company adjusters be required to call on the local fire chiefs before handing in a report on a fire loss calls attention to the fact that the middle western adjusting groups have followed a policy in this respect for many years.

Expense Is a Factor

While company adjusters in the middle west do not confer with the local fire chiefs on all fires by any means, due to the fact that this would add considerably to the cost of adjustment borne by the fire companies, especially on small losses, they do follow this practice on all large losses, and on any losses at all questionable. In many cases, the local fire department will have information of value with regard to salvage in a large fire. Other general information collected by the fire fighters often proves of value to the adjuster. It is a matter of cooperation. On fires in high valued districts in which fire patrols operate, adjusters can readily get reports from the fire patrol. In large fires that are questionable the National Board investigators often are called in along with the state fire marshal and these, with the adjusters, work with the local fire chiefs.

It is always helpful if the fire chief knows the sort of information that the adjuster wants. This can be done by adjusters working with them on the larger fires. Doing it on all fires would add a considerable and unnecessary burden, adjusters say, to the expense of adjustment which companies would have to pay.

PRACTICE IN THE EAST

It has long been the practice of adjusters in the east, whether in the employ of the Fire Companies Adjustment Bureau or acting independently, to contact local fire chiefs before undertaking the settlement of an important loss, and should there be any suspicious circumstances suggested, to see the police department head as well. Some adjusters call on the fire chief before visiting the agent carrying the line, the idea being to get the story of the fire from the party best qualified to discuss it.

Often the inquiry is pushed further by an interview with the captain in command of the company first at the fire, who is able to give information as to the probable origin and early spread of the flames. This data is of value not alone to the adjusters but also to the underwriters, to whom the data is passed along.

Fire Chiefs Cooperate

Almost invariably fire department chiefs are cooperative. They get in return for the information given adjusters points as to building and stock values which enable them to gauge future loss estimates under like conditions.

At all divisional conferences of the F. C. A. B. the wisdom of cultivating the friendship of the fire marshals and fire chiefs is stressed, and, generally speaking, the same policy is followed by the leading independent adjusting offices. Such practice tends to create a friendly feeling between the fire fighters and the underwriters, and makes for better public relations all around.

E. W. Champion Agency Supervisor for Aetna Fire

E. Wallace Champion has been appointed agency supervisor for Aetna Fire in the southern department. He has been with Aetna Fire since 1915 except for a three-year period. He was appointed special agent in West Virginia in 1924 and two years later became Virginia state agent of World Fire & Marine of the Aetna group.

THIS WEEK IN INSURANCE

New standing and special committees of National Association of Insurance Agents named by President Forshaw. Page 3

B. D. O. makes interesting study of total writings of fire and allied lines during the past five years. Page 3

Michigan to require more fire experience data as result of rate hearing. Page 3

Federal anti-trust division has observer on hand as Missouri rate case hearing resumes in Chicago. Page 4

Attack on Commissioner Fischer of Iowa in American Mutual Life situation broadened to include charges involving Hawkeye Casualty and the former Travelers Mutual Casualty of Des Moines. Page 5

Defense speed-up causing new and aggravated hazards in industry. Page 10

Proposal of banks in New York state to provide for indemnification of directors renews interest in the idea of providing directors liability insurance. Page 18

Marine underwriters are following closely developments growing out of repeal of the neutrality act. Page 5

Automobile P. L. and P. D. rate increase in Illinois Jan. 1 agreed to by 12 non-conference casualty companies at meeting in Chicago. Page 17

Curtiss C. Gardiner, who has been manager of the New York branch, is elected executive vice-president of Hartford Steam Boiler, filling the vacancy caused by the death of John J. Graham. Page 18

New York department considers reasonableness of 10 percent surcharge on risks which have to file under new financial responsibility law. Page 17

Danger of having radicals set up system of socialized health insurance in U. S. stressed by E. J. Faulkner, president Woodmen Accident at Chicago Accident & Health Executives Forum. Page 17

Hull and P. & I. rates are sharply reduced for post-season operation of iron ore carriers on the Great Lakes. Page 32

Fischer Ouster Move Waits on Interpretation

Court to Decide on Power to Remove Iowa Commissioner

DES MOINES—Commissioner Fischer was prepared to defend his administration against charges made by a policyholder of American Mutual Life of Des Moines, at a hearing before the state executive council, when the proceeding was thrown into court over a question as to the legal power of the governor.

The policyholder, Benjamin Wolf of St. Louis, has filed charges with the council against Mr. Fischer claiming partiality and maladministration in office and asking for his removal from office. The attorney for Wolf, H. M. Havner, former Iowa attorney-general, also has filed additional charges including Hawkeye Casualty and Travelers Mutual Casualty of Des Moines, claiming Fischer had allowed "gross wrongdoing, misappropriation and misuse of company funds."

Supported by Commissioners

When the case came up for hearing before the executive council, which is composed of the governor, secretary of state, secretary of agriculture, auditor and treasurer, Commissioners Hobbs of Kansas, Sullivan of Washington and former Superintendent Lucas of Missouri were in attendance ready to testify in behalf of Mr. Fischer.

However, the executive council by a vote of three to two adopted an attorney-general's ruling that only the governor could remove the insurance commissioner from office.

Havner then filed a petition for a writ of certiorari in municipal court to stay all proceedings until the question of jurisdiction could be settled. Hearing on the writ was continued until Dec. 15.

Willis O'Brien, attorney for another policyholder, contended both at the council meeting and court hearing that there was nothing further for the executive council to argue and that the case was closed because of the decision that the council did not have jurisdiction.

Fischer Files Reply

Mr. Fischer filed a reply with the state executive council in which he categorically denied all of the charges made by Wolf and asserted that the real purpose of the complainant and his counsel was to "promote their own selfish interest and motives in attempting to secure control of the company's board of directors."

Hawkeye Casualty and the former Travelers Mutual Casualty, the latter recently merged by Hawkeye, were brought into the attack on Commissioner Fischer by Havner.

Asks for Records

Havner asked that insurance department employees be subpoenaed to bring any departmental examiners reports and other records, files and correspondence for the year 1936 to 1941, inclusive, relating to the business or condition of the two casualty companies.

Havner's petition asking for the action said Wolf will show by the records "that there has been gross wrongdoing, misappropriation and misuse of funds of Hawkeye Casualty and Travelers Mutual Casualty, and maladministration of affairs, and that Commissioner Fischer

A. M. Best Scans Half Century in Cleveland Address

CLEVELAND—Except for taxes, A. M. Best, president of the A. M. Best Company, in addressing a dinner meeting of the Insurance Board of Cleveland, predicted there would be no serious increase in operating expenses in the immediate future for fire and casualty companies unless serious price inflation occurs.

Mr. Best said he sees no reason to expect any sharp increase in loss ratios. Automobile liability rates are too low but will probably go up, he predicted. Already third party liability loss ratios are heavy in certain sections of the country. Compensation losses may increase, due to the speed up in industry, he said, and surety underwriting is complicated by perplexing business conditions.

Views on Foreign Insurers

Mr. Best mentioned the situation of foreign companies operating in this country and expressed the belief that there was absolutely no cause for alarm concerning them. The trusted funds of the United States branches of these companies alone, he said, would afford ample protection for the American policyholder. A loss of equal magnitude to that of the San Francisco conflagration of 1906, he declared, could be paid by any of the major British companies operating here from the surplus of the United States branches and there would still remain a comfortable surplus.

Scans 50 Years of Insurance

Mr. Best sketched the insurance development of the past 50 years which he observed, corresponds to his active business life. He said that 50 years ago the premium volume of fire and marine companies was about \$135,000,000 whereas in 1941 it will be about 1 1/4 billion dollars. In the casualty surety field 50 years ago premiums were only about \$10,000,000, but this year they will also exceed 1 1/4 billion dollars. The population of the country has increased only 70 percent during that time, but the premium volume of insurance companies has increased many times over. The increase is partly due to the increase in insurable values but even more to the development of entirely new forms of insurance to meet the requirements of a changing world. Fifty years ago fire companies wrote nothing but fire and tornado whereas today they have a premium volume on lines that were not then in existence of 2 1/2 times the total volume of premiums written in 1891.

During the 50 years the average fire insurance rate has dropped from about \$1.25 to 68 cents.

Then Mr. Best also took a look into insurance conditions in 1916, 25 years

(CONTINUED ON PAGE 25)

had full knowledge of such wrongdoing and permitted it to continue."

The petition asked that all of the officers and directors of the two companies be subpoenaed to appear before the Iowa executive council along with Ralph Knudsen, first deputy of the department, and Miss Pauline McDonald, assistant chief examiner.

Various insurance men and associations have been quick to rally behind Commissioner Fischer following the charges made of partiality and maladministration of office.

Expressions of Confidence

Resolutions of confidence in Mr. Fischer's administration have been adopted by the General Agents & Managers Club of Des Moines, Des Moines Association of Insurance Agents, and Iowa Association of Mutual Insurance Companies.

In addition numerous letters of confidence have been sent to Fischer commending his administration of his office.

Handles Arrangements for Women's National Meeting



MRS. FERN HARRINGTON

Mrs. Fern Harrington has been named by the St. Paul Association of Insurance Women as general chairman in charge of arrangements for the annual meeting of the National Association of Insurance Women, which will be held in St. Paul June 24-27.

Decision Clarifies Removal of Cases to Federal Courts

The federal district court in Chicago, in an opinion by Judge W. H. Holly, held last week that an entire case involving several insurance companies can be removed from a state court to a federal court, even though the stake of some of the companies is below the minimum amount for removal. This case is regarded as important by insurance attorneys because the new codes of procedure in Illinois and several other states increase the number of cases in which several companies can be joined.

Judge Holly's decision was on a motion to restrain the assured from proceeding in the LaSalle County, Ill., circuit court, after the case had been removed to the federal court. Herbert W. Hirsh of Clausen, Hirsh & Miller, Chicago attorneys, represented the removing companies.

Bessie Mutter, Ottawa, Ill., insured various building, merchandise and household furniture items in Buffalo, Pearl, Northern of New York, Merchants of New York, Pennsylvania Fire, Hardware Mutual of Minnesota, Hardware Dealers Mutual and Minnesota Implement Mutual. All these companies were joined in a suit by the assured over losses arising out of the same fire. The three mutuals successfully petitioned to remove the case to the federal court. The amount claimed from each was over \$3,000, the minimum amount for federal court jurisdiction.

The assured's attorney then sought to reduce the claim against each of the other five companies to \$2,999 and to continue the action against them in the state court. On a motion to restrain these proceedings, Judge Holly ruled that the original suit was a single action under the Illinois practice act and hence that all parties were removed to the federal court, as long as one or more had an interest equal to the \$3,000 jurisdictional amount and had properly petitioned for removal, and consequently that the state court had relinquished jurisdiction over all parties. The case will now be tried in the federal court.

Marine Field Eyes New Situation with Caution

One Effect of Neutrality Act Repeal Will Be Wider Ship Movement

NEW YORK—While marine underwriters have not yet taken any action in the light of the United States' decision to arm its merchant vessels it seems likely that it will no longer be possible to continue the preferential war risk rate on cargoes which American ships have in general enjoyed. It is the decision to send American vessels into the war zone rather than the actual arming of them that would be the major factor in equalizing the rates of American and belligerent flag vessels.

The fact that American ships can now go into the highly dangerous waters around the British Isles should have little effect on the volume of cargo war risk business among American underwriters. Practically all cargoes going to England are lend-lease materials. These are not insured even in the British government pool. Westbound cargoes, largely woolens and Scotch whiskies are largely insured in the British government war risk pool because of the extremely low rate as compared with either British or U. S. commercial underwriters.

Axis Reaction Watched

A big question is what the reaction of the Axis powers will be to the arming of American ships, not so much on the voyages to and from England, where ships will presumably be sunk on sight, but in other parts of the world. If the United States navy is in fact engaged in a shooting war with the German and Italian navies and air forces it is natural to suppose that United States vessels will be in danger of attacks in any quarter of the world.

Whether arming of merchantmen does more good than harm is still an open question. There is no doubt that arming of ships makes them subject to attacks without warning but the ability to fight back may offset the increased susceptibility to attack. The record in the first world war was not such as to arouse much faith in the arming of merchant vessels. German submarines sank 29 armed merchantmen and there is no proof that any armed merchant ship ever sank a submarine.

German Planes Wary

That the arming of American vessels may influence the attitude of the Germans is indicated by the fact that German airplanes have been flying very low over United States passenger vessels, obviously trying to discover if they were armed. In spite of the ease with which airplanes can spot convoys and convey their locations to submarines the improved convoy system has definitely cut losses and is what made possible recent rate reductions by American and British underwriters.

A fortunate aspect of the war risk situation is that the American underwriters have built up a substantial amount of business and have accumulated a considerable amount of experience under existing war conditions. Risks are covered in practically all parts of the world so that there is no undue concentration in any area.

The growing war tension is indicated by the greatly increased volume of war risk premiums, as compared with a year ago, on voyages wholly within the

(CONTINUED ON PAGE 13)

Public Relations Job Could Be Done Much Better

It is regrettable that insurance men seem to have thought that because their companies were all right they need not worry about public opinion, and they have not recognized its importance. Walter J. Blackburn, insurance buyer for Hiram Walker-Gooderham Worts, Inc., for Canada, the United States and Great Britain, told the Detroit Association of Insurance Agents at a luncheon meeting Tuesday. Much could be done by telling the story of an insurance policy so as to make it attractive reading for the public.

Mr. Blackburn said companies and agencies, by maintaining a united front, could bring the merit of their business to public attention much more graciously than can individual companies. An institutional approach avoids criticism of self-interest or lack of modesty.

Canadian insurance companies have been glad to invest in American bonds and securities and helped finance American enterprise. Similarly American companies have been equally interested in purchasing securities of Canadian enterprises. This has helped build up good will for insurance on both sides of the border.

He said too often insurance competitors talk unfavorably about each other's business or take the attitude that although their own operations are beyond reproach, that may not be true of all competitors.

Four Angles to Problem

"What is wrong with the insurance business could well be studied by considering what is wrong with our public relations efforts," he said. "These might be divided into four classes; first, the relation of the insurance business as a whole to the public; second, the relations of the insurance company and the public; third, the relations of insurance agents and the public; and fourth, the relations between the companies and agents."

"Sometimes the insurance fraternity has given the impression that the distribution of printed matter and sales talks would break down sales resistance and build up buyer acceptance. While the quality of printed material and advertising by the companies is improving, I think much more improvement is possible by telling the public more about the story behind insurance rates, how the prevention of losses saves them money, how the insurance companies have fostered prosperity by investing their money in local industry, how agents and company men form a large part of the community, and how the insurance premium dollars are spent largely aside from loss payment in improving protection and paying for supervision that reduces the general insurance cost."

Heavy Taxation Not Known

"Many people do not realize that insurance is one of the most highly taxed businesses. A recent survey shows the ratio of taxes per \$100 of sales to be \$1.37 for wholesalers, \$2.01 for retailers, \$3.37 for manufacturers, and \$5.06 for insurance companies. This comparison was made prior to any recent increase in taxation."

"The modern tendency to broaden coverage in a single policy for a much lower premium than the net amounts that would be charged for separate coverages has not been brought to the attention of the public."

"While the average agent knows exactly what is meant by a coverage that is assigned a certain name, the policy buyer hardly ever knows what is meant by these technical terms, and it is the duty of insurance agents, who are the contact men between the public and the source of insurance, to explain the policies in every day language. Likewise,

Wife's Eye View in Verse of Collection Days

Field men and their wives will get much amusement from some verse that has been written by Adelaide B. Riedel, whose husband, Harry J. Riedel, Jr., is now in the underwriting division of Firemen's at the head office, but who for about 10 years was in special agency work in the New York suburban and New Jersey territory for Firemen's. The verse has to do with the field man and his family during the closing days of the year when he is under pressure to make collections.

"While the poetic quality of the work," Mrs. Riedel writes, "may leave something to be desired, I can definitely assure you that the information contained therein is absolutely authentic. For 10 years I enjoyed a wife's eye view of this annual phenomenon and it was always nip and tuck between suicide and murder at our house until New Year's Day was safely passed."

Who sits amid the Yuletide cheer
A prey to carking care and fear?

Who shudders as his lips repeat
Past dues upon his balance sheet?

Who prays his agents will remember
September payments:—due December?

Who walks in gloom and deep dejection
When ten calls fall to net collection?

Who has to grin and bear it when
He calls and learns they're out again?

Who tries to soften some old sinner
With wine and song; who treats to dinner?

Who, void of hope and joy in life,
Can find no smile for child nor wife?

Who, in his final desperation,
Makes threats of five day cancellation?

Who, at the last, the frenzied end,
Yells, "You'll pay up, or I'll suspend?"

Who views the world with doleful gaze,
Who has no happy holidays?

Before he quite gives up the ghost,
Good gentlemen, rise up and toast:
"The Special Agent."

the exclusions should be carefully explained to the buyer at the time of taking out the insurance.

Urges Complete Information

"While agents are sometimes inclined to take a portion of a client's total insurance business and figure that 'half a loaf is better than none,' it would aid in the solution of many problems if they would find out more about the buyer. Without exact and complete information, the agent fails in his first function: that is, properly advising the company about the risk and the assured. Without such complete information, the policyholder may be over- or under-insured, may lack some coverage which he ought to have, and many difficulties may be encountered in the settlement of claims which could have been avoided if the agent had given the company exact and complete information."

"Let the insurance buyer approach every policy as if it were something he had never seen before. Let him ask questions about everything in connection with his coverage. Of course, if the agent does his duty, he will not wait to be asked for this information but will furnish it at every possible opportunity to the buying public. To me there has always been something pathetic about the note on many insurance policies, 'Please Read Your Policy.'"

The companies which will be first to get away from a form which is now a legal document and write a policy which is just as legal but also inter-

Special Meetings of N.F.P.A. Will Be Held in Chicago

The National Fire Protection Association will hold a series of meetings at the Hotel Stevens, Chicago, the week of Dec. 1. On Dec. 1, its committee on dust explosion hazards will meet. Dr. David J. Price, chairman, U. S. Department of Agriculture at Washington, will be in charge. On Dec. 2, the committee on farm fire protection, Dr. Price, chairman, will hold forth. The agricultural committee of the National Fire Waste Council, U. S. Chamber of Commerce, has set its day as Dec. 3. On Dec. 3-4, the committee on firemen's training, W. Fred Heisler, chairman, Oklahoma Agricultural & Mechanical College, Stillwater, will be in charge. The fire marshals section will also meet Dec. 4, for its informal mid-winter conference. O. G. Lindemeier, 15061 Young avenue, Detroit, is chairman.

Hadley Is Head of Indianapolis Board

INDIANAPOLIS—At the annual meeting of the Indianapolis Insurance Board, Harlan J. Hadley was elected president; Fred G. Frauman, vice-president, and J. W. Stickney reelected secretary-treasurer. Directors elected for three years are C. Otto Janus, Glen F. Findley and H. J. Spier. Retiring President Herman C. Wolff automatically takes a place on the board for a year, and Harold W. Brady was elected to replace Mr. Frauman, who becomes vice-president.

The board has had a most successful year, having increased its membership more than 80 percent to 119. In his report Mr. Wolff reviewed what had been accomplished and commended the members for the interest they are manifesting in working together for the objectives set up.

In-and-Out Rule Effective

The in-and-out rule has been in effect in this board for over a year and is proving satisfactory. In commenting on progress made, Mr. Stickney says that the companies are mostly showing a desire to cooperate, this being true for some of the casualty companies as well as the fire. "We don't tell anybody what they've got to do," Mr. Stickney says.

The recording of the address of F. W. Potter, agency supervisor Aetna Casualty, at the Kansas City meeting of the National Association of Insurance Agents was presented. Mr. Wolff, Mr. Stickney, E. E. McLaren and Ray Fox, who attended the Kansas City meeting, made reports, and Murray Pruyn of the Aetna Casualty Indianapolis branch office introduced the record feature.

A report by a special committee complimented the insurance department licensing program, which is proving effective in eliminating applicants for agency licenses who are not appreciative of the responsibilities of such service.

One resolution adopted recommended the amendment of the state tax laws to put mutual companies on the same basis as stock companies.

ing, will do a tremendous service to public relations in the insurance business, he commented.

Mr. Blackburn has had a long career in the fire insurance business. His father was the first manager of the Sun Fire of Canada. He has represented the Fireman's Fund and Hartford Fire as special agent in Ontario. He was secretary of the Western Canada Insurance Club for six years and has done educational and publicity work for stock fire companies in connection with the Canadian Fire Underwriters Association.

Many Big Losses Occurred in October

The New York "Journal of Commerce" gives these fires that occurred in October causing loss of \$100,000 or more:

Golden Meadow, La., packing plant, \$150,000.
Charlotte, N. C., garages, seven buses and truck, \$100,000.
Fort Worth, Tex., stables, \$100,000.
San Antonio, Tex., cottonseed and peanut warehouse, \$250,000.
Richmond, Va., factory and storage plant, \$100,000.
Chicago, bedding and furniture plant, \$100,000.
Indianapolis, rubber plant, \$150,000.
Creston, Ia., five business buildings, \$200,000.
Keokuk, Ia., National Carbide Corp., warehouse, \$100,000.
Detroit, Motor City Tube plant, \$150,000.
New Hudson, Mich., coach firm, \$175,000.
Columbus, O., lumberyard, \$150,000.
Hamilton, O., factory, \$100,000.
Mt. Gilead, O., pottery plant, \$200,000.
Lebanon, Tenn., four business buildings, \$100,000.
Nashville, Tenn., lumberyard and truck depot, \$100,000.
Pomona, Cal., agricultural building, \$500,000.
Pasadena, Cal., bowling courts, \$100,000.
San Francisco, 7,000 acres of wheat and barley and dwellings, \$500,000.
Willow Ranch, Cal., lumber mill, \$150,000.
Baker, Ore., store, \$125,000.
Salt Lake City, clothing store and three adjoining business houses, \$250,000.
Portland, Me., machine plant, \$500,000.
Bel Air, Md., super market and adjoining buildings, \$100,000.
Fall River, Mass., rubber plant, \$15,000,000.
Lynn, Mass., office and store building, \$150,000.
Englewood Cliffs, N. J., night club, \$250,000.
Perth Amboy, N. J., lumberyard, \$100,000.
Walton, N. Y., dairy products plant, \$100,000.
Chester, Pa., foundry, \$500,000.
Camden, Ark., wholesaler grocery, \$100,000.

St. Paul First City to Adopt New Ordinance

NEW YORK—First among the cities to adopt the suggested fire prevention ordinance of the National Board is St. Paul, the local board of the community having been an influence in bringing about such result. Highland Park, N. J., is another center to have sanctioned the safety measure, while State Fire Marshal Larson of Florida has endorsed it as the basis for recommended fire prevention ordinances in communities throughout his state.

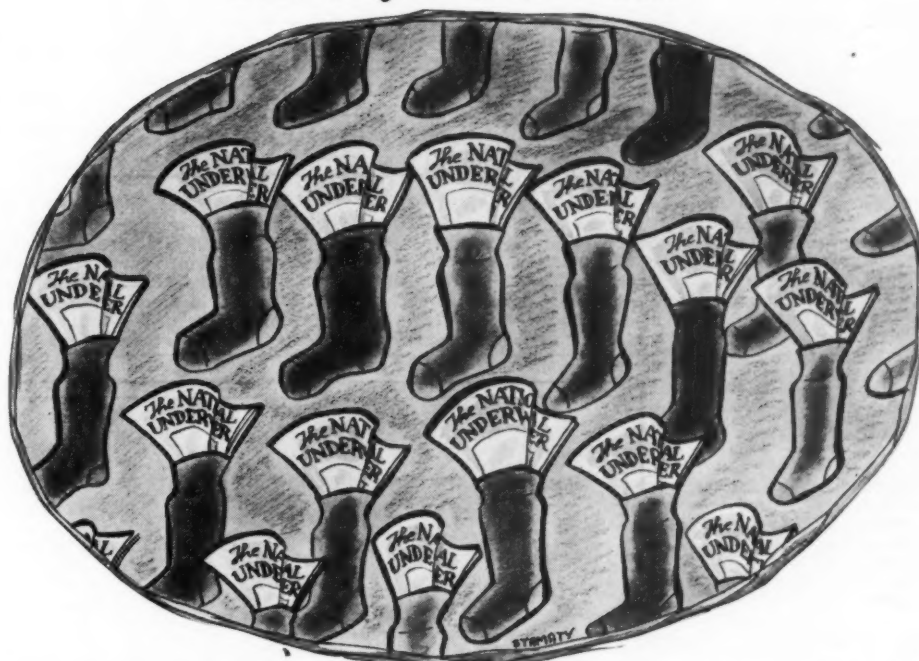
The National Association of Insurance Agents has been working hand-in-glove with the National Board—urging the adoption of the suggested ordinance. Thus far 34 agents associations have given whole hearted support to the movement; 132 individual local agency bodies are behind it, and an additional 700 or more individuals in various walks of life, are making its merits known. Over 4,000 copies of the proposed ordinance have been furnished upon request by the National Board thus far.

New Jersey Mid-Year in March

NEW YORK—The mid-year meeting of the New Jersey Association of Insurance Agents will be held in Newark in March. It will be a one-day session, with a business meeting in the morning, followed by a speaker, luncheon, round table discussions in the afternoon and banquet in the evening with a speaker. The date depends on the National association mid-year meeting.

In selling coverage on stamp collections stress should be placed not only on the value but the time and care which the prospect has taken in accumulating his treasures.

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AS SEEN FROM CHICAGO

"MANAGERS NIGHT" OF EXAMINERS

Will Ellis, assistant manager of Royal-Liverpool groups, will address the annual "managers night" meeting of the Association of Fire Insurance Examiners of Chicago the evening of Nov. 27 in De Met's Board of Trade Grill. This is the annual gathering at which the members invite their managers and department heads as guests. Mr. Ellis will speak on "Use & Occupancy Under Present Economic Conditions." H. C. Brose, the new president, will preside, assisted by Charles La Bow, vice-president and secretary, and Paul A. Breuhaus, treasurer.

MRS. STEINER A BROKER

Mrs. Edna M. Steiner has secured a brokerage license and will succeed to the personal business of her late husband, Walter W. Steiner, in Chicago. Mr. Steiner, in addition to his regular work, had developed a personal business. Mrs. Steiner will take care of this and will endeavor to increase the number of clients. She has opened an office at 176 West Adams street, Room 941, Chicago, sharing the office of D. F. Moore, who is manager of the American United Life of Indianapolis. Mrs. Steiner was a secretary and accountant before she was married and had taken care of Mr. Steiner's clerical work for a number of years past.

GEORGE LLOYD INVALIDED

George A. Lloyd, well known Chicago broker, was forced to go to Passavant Hospital the other day. He had some infection and it was a number of days before his medical advisers could locate it. Evidently they now have and he is expected to be ready to go to his home this week.

MAVON GETS ASSOCIATED F. & M.

G. A. Mavon & Co., Chicago, has been appointed general agent by Associated Fire & Marine in Cook county and northern Illinois extending south to Springfield. This agency has represented Associated Indemnity of the same group as general agent for about five years in the same territory.

DANIELS LEAVES INSURANCE

Norman Daniels has resigned his position as engineer with Allen E. Hendricks & Co., insurance engineering office of Chicago, to enter another line of business. He went with the Hendricks organization several months ago after having been with the Chicago Board about 14 years. He is a graduate of Armour Institute.

TEN BROECK WITH COTTER & CO.

Willis E. Ten Broeck, who has been associated in production with W. A. Alexander & Co. in Chicago for the last four years, has gone with H. E. Cotter & Co. of that city as special agent. That office represents London Lloyds and Mr. Ten Broeck's work will carry him throughout the state explaining the Lloyds contracts and doing production work. Before going with Alexander & Co. he was for five years special representative of William Wrigley, Jr.

INSURANCE CLUB FEATURES MORAN

E. B. Moran, manager central division National Association of Credit Men, will address the Insurance Club of Chicago next Tuesday at the Chicago Board auditorium at 6 p. m. Peter Eriksen, Underwriters Service, president of the club, announced that the organization would experiment with a meeting without a dinner to see which the members prefer.

Mr. Moran will discuss the insurance needs of businesses and the opportunities for increased business for insurance men who take the trouble to work with business men and discover uninsured and improperly insured hazards. He has been a leader in the work of

cooperation between credit men and insurance men and assisted in arranging the current series of insurance lectures of the Chicago Association of Credit Men. This series, delivered by a number of leaders in the insurance business, has been very well attended and many other local credit men's groups are planning on similar activities. Mr. Moran has spoken at many insurance gatherings and is a popular and forceful speaker.

McKENNA WITH POFE & CO.

Charles P. McKenna, special contact man of the Continental Casualty branch office in the Insurance Exchange, Chicago, for the last four years, is going with Oscar Pofe & Co., Chicago, as an associate in the development and servicing of brokerage business, all lines. He has had 16 years' insurance experience, for the first 12 having been with W. A. Alexander & Co. at Chicago in various posts, rising to Cook county brokerage department manager. Previously he was a salesman for a stereopticon and slide company in Chicago and before that was a claim man of the Illinois Central railway. Mr. McKenna received

his education at De La Salle and Armour Tech, taking a course in electrical engineering.

BLUM AND BARBER FORM TEAM

George M. Blum, former assistant manager at the head office of Underwriters Adjusting in Chicago, and Al Barber, who was formerly manager at Gary, Ind., for Underwriters Adjusting, have entered the independent adjusting business together. They have not established downtown offices but they will be on call from their residences. They have sent out announcement cards this week. Mr. Barber just recently entered the local agency business in Gary but he is disposing of that interest. He was at one time general adjuster for Underwriters Adjusting.

NEW YORK

HOW HENRY MARSH PASSES TIME

Henry W. Marsh, who relinquished his active interest in the nationwide agency and brokerage firm of Marsh & McLennan 10 years ago, has since been living quietly at his home in Winchester, Mass., spending the winter in Florida. Now in his 82nd year, he was asked by

a friend a short time ago how he was passing his time. "Well," Mr. Marsh replied, "each morning I put on my dressing gown, go down stairs and get the morning paper. Turning to the obituary page I scan it closely, and if my demise is not mentioned, I dress for breakfast." In earlier years Mr. Marsh spent a portion of his summers in England, and later in France. He was a liberal entertainer and numbered among his friends many of the leading industrialists and financiers of the United States.

ANGER BROKERAGE MANAGER

Howard C. Anger has been named by the Agricultural and Empire State as manager of the New York brokerage and service department, succeeding W. C. Howe, Jr., who joins the New York office of Johnson & Higgins about Dec. 1.

Mr. Anger has been with Agricultural group for several years, recently as state agent for the New York suburban area, which he will continue to supervise with two assistants. One of these, P. H. Mahland, has been in this field for some time. He will devote himself primarily to Westchester, Rockland, Putnam and Richmond counties. R. F. Wiley is a new addition to the Agricultural organization. He becomes special agent of Agricultural for Queens, Nassau, and Suffolk counties.



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Camera Floater Claims Cost More at This Time

NEW YORK—Curtailling of imports from Germany and the army signal corps' demands for a large share of the domestic supply has made camera floater loss settlements more costly and in some cases caught insured with insufficient coverage to make replacements on the basis of today's costs. For example, the Ektra, the super-deluxe miniature camera put out by Eastman, formerly cost \$300. The price is now \$370 and there is a long waiting list of purchasers because of the extremely restricted production. The new 10 percent excise tax alone caused a corresponding increase in all camera prices, aside from other factors tending to boost prices.

From a loss adjustment point of view there is not merely the increased cost to be considered but the fact that dealers, unable to get their accustomed supplies, can hold out for the full list price or close to it, instead of giving the discounts which they customarily give quantity buyers like insurance loss departments.

The ordinary camera floater is not a valued form. The insurer, in the event of loss, pays the amount of the camera's value and can usually get the insured to accept a replacement camera. In the present market however, even the full amount for which the camera is insured may be insufficient to enable the insured to go out and buy himself a new camera or for the insurer to get it for him.

Brokers and agents have frequently found that their insured had failed to realize that under present conditions their cameras and equipment may be underinsured and it would be well to increase the amounts.

While insurers would probably consider it unsound to insure for today's replacement cost equipment purchased when prices were lower, it will undoubtedly be found in many cases that, even after allowance for depreciation, cameras and equipment could carry a considerably higher valuation than would have been needed until comparatively recently. Another point that could well be brought to the attention of insured is the desirability of having complete descriptions of each major item. The camera floater is a schedule policy and each item is supposed to be accurately identified.

Practically any camera worth insuring has a serial number on the box and another on the lens mount. These should be contained in the policy as should an accurate description of each piece of equipment, although miscellaneous small items of equipment may be lumped together.

Travelers Carries on Currier & Ives Tradition

Travelers, for its 1942 calendar, is carrying out its tradition of the past several years, reproducing 12 Currier & Ives prints. This decision will meet with the approval of agents and policyholders who have enjoyed having this type of calendar during the past several years. There is only a small identifying imprint on the calendar sheet. The back sheet contains a paragraph on each of the scenes reproduced together with particulars regarding the prints and the print makers. Below this appears a statement of the various lines written by Travelers and there is space for the agent's imprint.

J. R. Cook on National's Board

John R. Cook, president of the Arrow-Hart & Hegeman Electric Company, has been elected a director of National Fire, filling the vacancy caused by the death recently of Frederick Small. He is also a director of Hartford Steam Boiler.

Fire Loss Is Moderate in Great Britain

Direct fire loss other than war damage was moderate in August in Great Britain at £453,000 for losses of £1,000 or over. This compares with £898,000 for July, and with £809,000 for August, 1940. Allowing 60 percent for smaller losses, the total for the first eight months was £6,535,000, a reduction of £1,685,000 or 20.5 percent for the corresponding period of 1940. There were nine major fires of £10,000 or over, including a £71,000 fire in a shirt factory in the provinces.

McCormack Again Heads Zone 3 Commissioners

LOUISVILLE—Commissioner McCormack of Tennessee was reelected chairman of Zone 3 of the National Association of Insurance Commissioners at its meeting here. The commissioners in attendance held an informal discussion of examination problems. Eight southern states are in the zone.

Two Chicken Hawks Figure in Unusual Subrogation Case

A very interesting subrogation suit came before the Idaho supreme court in Chase, admr. et al. vs. Washington Water Power Company. This was an action to recover for a fire loss, the fires having been started by a current of electricity along a barbed wire fence that bounded the plaintiff's property. The insurance company which had reimbursed the plaintiff intervened and judgment in the lower court was in favor of both plaintiffs. The power company maintained its power wires on high poles alongside of this fence. A guy wire, uninsulated, was attached to one of these poles and the barbed wire fence touched and rubbed it in the wire. The wire was about 28 inches from the high tension transmission wire. Two chicken hawks were found when the investigation was made to determine what had caused the fire, near the foot of the power pole with their talons interlocked and the theory was advanced and accepted that while engaged in an aerial battle, the hawks' talons interlocked and their bodies formed a conduit between the transmission wire and the guy wire when they fell or flew so that

one touched one wire and the other the other wire at the same time. Thus the guy wire was charged, there was a flash and numerous fires were started.

The majority of the court holds that the defendant is liable for the loss and that its duty to exercise a high degree of care in maintaining power lines required it to insulate the guy wire so that such an accident could not happen. Two dissenting judges contend that the fire resulted from a freak accident which could not have been foreseen and that the defendant had not failed to use proper care in maintaining its power lines.

Name Ky. Legislative Council

LOUISVILLE—Insurance Director Goodpaster is a member of a five-man committee of state officials named by Governor Johnson of Kentucky to serve on a legislative council, to discuss and prepare legislation in advance of the meeting of the legislature in January.

W. Owen Wilson, head of the Davenport Insurance Agency, Richmond, Va., and a past president National Association of Insurance Agents, was host at a dinner there to Mr. and Mrs. Thomas G. Redden of Greensboro, N. C. Mr. Redden is a member of the executive committee of the National Association.

American Equitable Assurance Company of New York

Organized 1918

Globe & Republic Insurance Company of America

Established 1862

Knickerbocker Insurance Company of New York

Organized 1913

Merchants and Manufacturers Insurance Company of New York

Organized 1849

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Eye Underwriting Problems of Day

Mutual Executives in Chicago Parley Discuss Changing Conditions

Discussion of current fire insurance underwriting problems, most of them growing directly or indirectly out of the development of the national defense program, occupied the attention of 125 underwriting executives of the major mutual fire companies at the annual Underwriters' Conference of the Federation of Mutual Fire Insurance Companies which closed a two-day session in Chicago Tuesday.

Most directly related to defense activities were the observations of R. D. McDaniel, Grain Dealers National Mutual Fire, who spoke upon the inspection of risks under present conditions, and of R. E. Nelson, Central Manufacturers Mutual, whose subject was the underwriting problems of the defense program.

Asserting that the difference between inspection of risks at present and under normal conditions is largely one of degree, Mr. McDaniel emphasized the necessity for careful underwriting of the plant engaged in non-defense production—it has considerable difficulty in making replacements of equipment, it is losing many of its more skilled employees to higher-paying defense industries, and there is to be expected an increase in moral hazard as operation of such plants becomes increasingly unprofitable. He listed as increased hazards to be found in defense plants such factors as new processes being employed, the possibility of sabotage, inexperienced labor, increased inventory values, concentration of values, construction under abnormal conditions which may result in such hazards as temporary wiring, and the tendency of management to concentrate its energies upon production at the expense of safety or fire protection.

U. & O. Underwriting

The recommendation that underwriters be neither too conservative nor too liberal in writing use and occupancy risks under present conditions was made by Ben C. Vine, Millers Mutual Fire of Illinois, who discussed the effect of priorities upon this type of coverage. He held that each risk should be considered upon its own merits, and advanced the theory that the mutual companies owe it to the public to make this coverage reasonably available at a time when it is in high demand.

A number of the reasons why automobile property insurance underwriters should be concerned were advanced by H. M. Wardwell, Middlesex Mutual Fire, who spoke upon the underwriting of automobile business. Among the factors which he listed were the increase in the cost of parts and labor and the increased cost of total losses; the scarcity of repair parts; the construction of the modern automobile, which has a tendency to transmit collision shock from one section to another; changed conditions of operation, such as the concentration of automobiles in defense plant areas; the shortage of expert mechanics in repair shops, the difficulty of securing insurance company discounts on repair parts; and the heavy use and overloading of trucks.

Many Speakers Heard

Other speakers upon the program were:

A. V. Gruhn, general manager of the American Mutual Alliance, who discussed the relationship between rating methods and fire insurance underwriting.

William H. Rodda, Washington, American Mutual Alliance engineer, who analyzed the fire hazards of the numer-

ous types of plastics now assuming so important a place in industry.

Gordon Davis, manager of the loss research division of the Federation of Mutual Fire Insurance Companies, who outlined the studies being made by his organization in the adjustment field.

T. L. Osborn, Jr., National Retailers Mutual, who spoke upon aircraft hull insurance underwriting, and described the functions of the recently-formed Mutual Aircraft Conference.

Ambrose B. Kelly, secretary and general manager American Mutual Reinsurance, who analyzed the methods of determining proper limits of catastrophe coverage for mutual fire insurance organizations.

K. K. DuVall, City National Bank and Trust Company, Chicago, who described "Our War Economy, 1941 Version."

Harry L. Gross, Iowa Tornado Insurance Association, who related his company's experience over a half-century as the outstanding specialist in the farm property windstorm insurance field.

Albert C. Nicolet, of Dun & Bradstreet, Inc., Chicago, who discussed the interpretation of credit reports.

E. L. Ripley, United Mutual Fire, who called attention to the increasingly important part which reporting covers are playing in the American insurance picture.

Mr. Ripley pointed out that reporting forms of cover and interstate rating matters are very much to the fore today. He said that the questionnaire recently sent out by Commissioner Caminetti of California on interstate rating is probably the most comprehensive examination that any state has initiated. Mr. Caminetti, he said, apparently understands the lack of uniformity that exists in handling this type of risk. The insurance commissioners at their forthcoming meeting in New York will devote much attention to the problem and it is likely that a special committee of commissioners will be appointed to look into the general problem. It may be that they will eventuate some sort of a formula comparable to

(CONTINUED ON PAGE 26)

Extra Payments to Staff May Reduce Turnover

The insurance companies that have decided to make extra payments to their employees, particularly in the lower income brackets, are actuated by altruistic motives, appreciating that the increased cost of living and the increased taxes in prospect create an emergency for such employees. But they are also prompted by a desire to hold their employees. In every office today the personnel problem is uppermost. Employment opportunities are abundant and employees are moving from one place to another when they can improve themselves to the extent of \$5 to \$10 a month. These extra payments, the companies hope, will place their employees above the reach of other offices.

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Cotton Group Holds Parley at Pinehurst

PINEHURST, N. C.—Milton Dargan, Sr., of Atlanta, was reelected chairman of the governing committee of the Cotton Insurance Association at its annual meeting here. C. S. Kremer, president of Hartford Fire, was elected to the committee to succeed the late R. M. Bissell. The other members of the committee are: Southern managers (all of Atlanta), E. N. O'Beirne, Automobile; Dowdell Brown, Commercial Union; R. B. Barnett, Fire Association; J. H. Hines, Crum & Forster; A. H. Turner; R. W. Michael, Fireman's Fund; John H. Ledbetter, assistant manager Hartford Fire, Atlanta, and A. R. Phillips, Great American; H. T. Cartledge, Royal; Elliott Middleton, Sun of London; George C. Long, Jr., Phoenix of Hartford; R. M. Anderson, National of Hartford.

Manager E. B. Proctor presented a report on operations for the cotton year ended July 31, showing that the C. I. A. had experienced another successful year. It was reported that the new cotton year had started off with more activity, the first three months showing increased underwriting volume but also more losses. In the matter of losses chief interest at the time of the meeting centered in the warehouse fire at Spartanburg, S. C., Nov. 22. There were 5,100 bales in the warehouse but there was no report on the amount burned, although there is an estimate of the total damage by the fire at \$500,000. The C. I. A. now has 31 members and a large majority of them sent representatives to the meeting.

Virginia-Carolinas Group of General Agents Meets

PINEHURST, N. C.—S. Linton Smith of W. N. H. Smith Company, Raleigh, was reelected president of the Virginia-Carolina General Agents Association at its annual meeting here. Officers to serve another year are: Vice-president, S. Louis Johnson, Charleston, who also is chairman of the American Association of Insurance General Agents; secretary, John W. McAlister of Mebane & McAlister, Greensboro, N. C.; treasurer, Harry F. Thompson of Louis E. English Co., Richmond.

It was voted to hold the next meeting at Columbia, S. C., in February. As a part of the program at that time, the association voted to invite a competent aviation underwriter to discuss aviation insurance, a line discussed at the Pinehurst meeting in relation to its future prospects for the general agent. Instead of general agents making individual efforts to entertain at annual conventions of local agents of Virginia, North Carolina and South Carolina, it was voted to have the association as a whole provide entertainment. In the absence of Secre-

tary McAlister, Treasurer Thompson acted in his place. Vice-president Johnson could not be present, but he sent a report.

Eliel & Loeb Eastern Changes

Hamilton M. Loeb, president of Eliel & Loeb Company, Chicago, on a trip east this week, announced changes in eastern office personnel.

George J. Margraff, who has been with the company since Jan. 1, 1929 has been appointed vice-president in charge of eastern operations.

Albert C. Prast, Jr., and Rex Dennant have been appointed vice-presidents of the New York office and A. Prince, assistant treasurer. The New York office is located in the Lincoln building.

John J. Kattelman has been appointed a vice-president and George F. Dillon has been appointed assistant secretary of the Philadelphia office which has been relocated in the Independence building.

Pillet Opens New Coast Building

LOS ANGELES—President A. F. Pillet of the Republic of Texas presided at ceremonies formally opening the company's new branch office building here. Vice-president Hugh H. Gaffney, in charge of the coast, did the honors for the visiting agents and brokers, totaling more than 400.

The new building is a two-story fire-proof structure, air conditioned and modern in every way.

Capital Increase Expected

NEW YORK—Approval by the department of the increase in capital of General Security Assurance of New York, to \$500,000, from the present \$250,000, is anticipated within the next few days. The corporation, of which H. M. Robertson is president, was organized to take over the assets and liabilities of the United States branch of General Fire of Paris. It transacts reinsurance of fire and related lines.

Fire Destroys Paper Supply

Fire did more than \$75,000 damage to the building and contents of Central Paper Stock Co., Chicago. Approximately \$35,000 of insurance was carried on the contents, but there was no coverage on the building. Because of defense demands, the value of the paper, a great deal of which was in the building, had increased substantially in the past six months.

Hallinan Sent to Fresno

E. J. Hallinan, special agent of Pacific National Fire at Portland, Ore., is being transferred to Fresno, Calif., succeeding Laurent Laustau, who recently was promoted to southern California manager. James F. Gordon, who has been in the home office for 12 years, succeeds Mr. Hallinan at Portland.

The Sioux Falls, S. D., Blue Goose luncheon club at its regular meeting Monday heard Jay Williams speak on "Oil Possibilities in South Dakota."

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Favors 3-Point Extended Cover Contract for Local Farm Mutual Insurers

That local farm mutuals should not too hastily engage in the writing of extended coverage but that the laws should be amended to permit writing that coverage, minus wind and hail, was the recommendation of V. N. Valgren, who addressed the annual meeting of the Illinois State Association of Mutual Insurance Companies at Alton, Ill.

Local farm mutuals in most states are neither allowed nor want to write wind and hail. Such insurance is affected with a conflagration hazard and can safely be offered by state and district insurers whose territories are substantially larger than most of the local farm mutuals.

Hence, the question is whether the local companies should write the five-point coverage of explosion, riot, aircraft, smoke and vehicles. In Michigan he recalled, the law was amended to authorize the farm mutuals to write the seven-point contract with the intention that the windstorm mutuals shall continue to provide insurance against wind and hail. Secretary L. P. Dendel of the Michigan mutuals has prepared a special extended coverage endorsement for use by the farm mutuals of the state. It omits some provisions such as those relating to plate, stained, leaded or cathedral glass, U. & O. coverage, etc. They intend to charge a flat rate of 5 cents per \$100 per year for the endorsement.

Need of Cover Varies

The five-point contract offers some farmers, he said, substantial protection while to others it means very little. For instance, a farmer located near an airfield offers a greater hazard than one who is not so located. A farmer located at a bend in the road is more likely to suffer motor vehicle damage than one who is not. The farm home

heated only by stoves or fireplaces has no smoke hazard that is covered by extended coverage. A farmer residing near a large city might be liable to damage because of riot.

If the supplemental cover is offered on an optional basis, a rate must be charged that would allow for adverse selection. Those farmers whose property is in most danger from the hazards involved are more likely to buy the coverage.

Insurance companies, he said, should aim to give protection as far as practicable against all hazards that may occasion serious losses even when the probability of loss from a given cause is remote. He does not favor the use of insurance to cover hazards that involve only small or nominal losses that the individual can bear unaided, without serious results. Falling aircraft, motor vehicle, riot and explosion fall in the former category and smoke in the latter. The inclusion of the smoke hazard in the policy even with the narrow definition used in existing extended coverage endorsements is certain to give rise to many nuisance claims that are not intended to be covered and that would not be reported under the straight fire contract.

Mr. Valgren's conclusion was that he is not enthusiastic about extended coverage for farm mutuals. It does give some protection of a kind that is needed and desired in varying degrees by many farmers and the competitive situation must be kept in mind, he said. Hence, he is in favor of having the farm mutual laws amended to give the companies the privilege of writing this business, but they should not hastily adopt the coverage. A three-point extended coverage endorsement including explosion, falling aircraft and motor vehicles and omitting riot and smoke, he declared, would give about the same amount of significant protection to most farmers as does the five-point contract and he expressed the belief it would obviate many wasteful nuisance claims.

Evidence of Hunter Brown's Devotion to Education

John C. Hoefflin of the Fisher-Brown agency of Pensacola, Fla., has just completed the training course at the home office of U. S. F. & G. He is the eleventh member of the Fisher-Brown agency to go to the home office of U. S. F. & G. to take the training course. The agency is headed by Hunter Brown, president of the Florida Association of Insurance Agents. Hoefflin won a brief case because he led his class at the training school. His final average percentage was 98.5 percent. On his way home he went to New York and then to Rochester for a visit with Roy Duffus. He had met him at the Florida school at Daytona Beach last September.

Each year Hunter Brown takes from four to eight of his employees with him to the Florida school, traveling as far as 1,600 miles round trip to the school. He pays the office employees' expenses, their tuition, their salary and in addition gives them their regular vacation besides.

Bogart to Aetna Home Office

Leonard B. Bogart, previously supervisor of claims at the Boston office of Century Indemnity, has been appointed assistant general adjuster and transferred to the head office. He joined the Aetna Fire organization in 1927 as assistant underwriter in its New England department. Three years later he was assigned to the home office loss department, and in 1933 was made adjuster in the Boston claim division of Century Indemnity.

Must Use Revised Dwelling Form

TOLEDO—Neal Hummel, superintendent Ohio Audit Bureau, announced that, effective Dec. 1, his organization will criticize use of any dwelling form but the latest edition of No. 49, which

was revised Oct. 1. This new form places some limitations on the 5 per cent extension of insurance to out-buildings.

Mr. Hummel also stated that any endorsement increasing the amount of insurance must show an additional premium, regardless of how small it may be.

Miss. Mutual Agents Elect

JACKSON, MISS.—Howard McGee of Jackson was elected president of the Mississippi Mutual Agents Association at its convention here. Emmett McCool is vice-president and J. F. Montgomery, secretary-treasurer. Both live in Jackson.

Speakers included Commissioner Williams of Mississippi; W. W. Sampson, manager of Mississippi Rating Bureau, and Thomas D. Sullivan, adjuster, as well as representatives of a number of the mutual companies. The meeting was in the nature of a clinic or school with the out-of-state speakers as instructors.

A resolution was adopted endorsing the proposed College of Property and Casualty Insurance. It was voted to establish a scholarship to the college for some Mississippian.

Boston Brokers' Nominees

BOSTON—The Insurance Brokers Association of Massachusetts has nominated Albert Cross of John C. Paige & Co., for president to succeed Harry E. Moore, who has headed the association for five years and declined renomination. Henry S. Bowen was renominated for secretary-treasurer. Nominees for vice-presidents are S. B. Ames, H. P. Williams, C. J. A. Wilson and H. L. Wood; executive council, Paul Burrage, F. S. Chapman, Arthur D. Cronin, L. H. Dowse, H. E. Frost, E. E. Hardy, J. W. Knapp, E. S. Litchfield, G. M. Neily, E. M. Peters, R. E. Stone, T. R. Sullivan, J. W. Watson, H. E. Moore and R. B. Macdonald.

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NEWS OF FIELD MEN

Connelly and Subers Are Co-Managers at Orlando

The office of Hawkins Connelly, special agent of Seibels, Bruce & Co., Columbia, S. C., has been consolidated with the Florida branch office at 509 Metcalf building, Orlando, Fla.

J. I. Subers, special agent at Orlando, and Mr. Connelly will assume joint management responsibility for the combined fire-casualty-surety office, with specific jurisdiction over their respective departments. The Florida branch office will issue inland marine and casualty policies and execute fidelity and surety bonds.

The Orlando branch heretofore has served the entire state for casualty and surety and the central and northern sections for fire has been serviced from Sanford.

The removal of Special Agent Connelly to Orlando and his continued service from that point will leave that portion of the field which he previously served unchanged.

The Miami office under R. E. Rutledge, special agent, 1045 Seybold building, will remain unchanged, and the Jacksonville office, 1004 Lynch building, remains under the jurisdiction of C. M. Hilliard, who has served the organization over 40 years.

Whitchurch to Indiana for American of Newark

Robert H. Whitchurch has been appointed special agent for northern Indiana territory of American, succeeding Harold A. Stevens, who has resigned to take a similar position with Security of New Haven.

Mr. Whitchurch has been with American for almost five years, and most of that time has been devoted to traveling as a special agent in an important section of Illinois. Previous to joining American he was associated with the Minneapolis office of Marsh & McLennan, and he is the son of the late Harry E. Whitchurch, who served American as state agent in the Dakotas for many years.

Mr. Whitchurch will be located at 424 J. M. S. building, South Bend, Ind.

Chegwidden to Home Office and Wideman Manager

William C. Wideman has been appointed manager of the Philadelphia office of Camden Fire. He will continue his duties as field man for Wilmington, Baltimore, Washington and contiguous territories, and will be assisted in both field and office by Norman Keightly.

F. H. Chegwidden, manager of the Camden's Philadelphia office for the past year, is taking over new responsibilities in the home office.

The Philadelphia office, 215 South Fifth street, was opened in 1895 by J. L. Truscott, who later became vice-president and managing underwriter of Camden before it expanded beyond southern New Jersey and eastern Pennsylvania. Since 1900, when Mr. Truscott moved to the home office, there have been but three other managers, Joseph Doyle, Frank Clark and Mr. Chegwidden.

Texas Blue Goose Gathers

Texas Blue Goose held a golf tournament and dinner meeting at Lakewood Country Club, Dallas, with a program of entertainment by the City of Dallas pistol team and quartet. A cocktail party was held Monday, followed by a dinner dance and floor show.

N. J. Special Agents Dinner

The New Jersey Special Agents' Association will hold a dinner in Newark, Dec. 1. B. Wasowski, who was in Danzig at the time the war broke out, will tell of his experience.

Harold A. Stevens Joins Security, Conn., in Indiana

Harold A. Stevens is to become Indiana state agent for Security of New Haven, replacing G. R. Juenger, resigned. For the past six years Mr. Stevens has been with American in Illinois and Indiana. Before that he spent six years with the Illinois Inspection Bureau at Rockford, Rock Island and Peoria. He is a graduate of Augustana College.

Neil C. Selvig, who becomes Minnesota state agent for Security, replaces George W. Blomgren, resigned. Mr. Selvig was formerly state agent for five years with Rhode Island, covering Minnesota, North Dakota, southern South Dakota, and northern Wisconsin. Before that he was with the Fire Underwriters Inspection Bureau offices in Winona and Minneapolis for 13 years.

Tanner Okla. State Agent of Boston and Old Colony

Don J. Tanner has been named Oklahoma state agent of Boston and Old Colony. Mr. Tanner, who has been traveling Oklahoma for the Will S. Eberle general agency, fills the vacancy in the Boston and Old Colony field organization caused by the death of Lee Morgan.

Prior to his connection with the Eberle agency, Mr. Tanner traveled Missouri and Kansas for Crist & Co., general agents. He will continue his headquarters at 814 Midwest building, Oklahoma City.

Cleveland Club to Put on Skit

CLEVELAND—The educational and publicity committee of the Cleveland Field Club will introduce its new skit, "Mr. Manufacturer Gets to Know U. & O.," at the next meeting Dec. 15. Thereafter the play will be offered before other organizations.

The cast includes: Bert O. Evans, Glens Falls; Frank Gibbs, Atlas; Frank Weber, Firemen's, and William Rardin, Agricultural. Roy Harney will introduce the skit.

Ohio Speakers to Hear Lecky

James D. Lecky, Jr., state agent Royal Exchange, will address the Ohio Stock Fire Insurance Speakers Association at its meeting in Columbus Monday. Because of his duties with other insurance organizations, J. W. De Cessna, Royal-Liverpool, has resigned as secretary and E. C. Knoop, Jr., Home, has been selected to fill that position. D. P. Hague-Rogers, Eagle Star, is president.

Besterman Indiana Deputy

Supplementing the list of deputy most loyal grand ganders of the Blue Goose that was published in last week's edition, there has been appointed J. W. Besterman of Indianapolis to serve for Indiana.

Allaire, Pryce in Columbus

Thomas E. Allaire, state agent, and Wilson A. Pryce, special agent, of Millers National, are now occupying new quarters in the Atlas building, Columbus, O. Previously Mr. Allaire had maintained headquarters at Rocky River and Mr. Pryce at Worthington.

Wis. Blue Goose Dinner-dance

Wisconsin Blue Goose will hold a dinner dance in Milwaukee the evening of Dec. 13. W. W. Sukow is entertainment chairman.

Smoke & Cinder Club Elects

PITTSBURGH—These officers have been elected by the Smoke & Cinder Club: President, R. J. Crossman, Atlas;

vice-president, James Foster, Royal-Liverpool group; secretary G. W. Feller, North British; treasurer, Thomas Moody, Firemen's group.

Selden Resigns Va. F. & M. Post

Alfred F. Selden, Jr., has resigned as special agent of Virginia Fire & Marine for northern Virginia and West Virginia. He had been with the company for many years.

California Pond Dinner Dance

LOS ANGELES—The California Blue Goose will hold its first fall dinner dance Dec. 5. Guest of honor will be Roy O. Elmore, who has been called to Pacific National Fire's home office in San Francisco.

B. D. O. Meeting in San Antonio

It was announced at a meeting of the Alamo Blue Goose in San Antonio that a B. D. O. meeting will be held in San Antonio Dec. 15, when a skit will be presented by the members of the B. D. O. committee for that section.

Ohio Bureau Club to Meet

The Ohio Association of Fire Underwriters, Bureau field club, will hold its next meeting in Columbus Dec. 2.

P. L. Johnson to Scottish Union

Philip L. Johnson has been appointed state agent for northeastern Ohio by Scottish Union & National. For the present he will be associated with

Howard W. Herd, state agent, at 630 East Broad street, Columbus. Mr. Johnson has been Ohio state agent of Republic of Texas.

Carolinas Blue Goose Meets

The fall meeting of Carolinas Blue Goose was held at Greensboro, N. C. Due to the illness of Most Loyal Gander M. L. Fuller, Supervisor W. W. Philbrick presided. The afternoon session was devoted entirely to business. F. C. Newcomer, executive secretary of the recent grand nest meeting, gave his report which revealed that after being host to the grand nest meeting the Carolinas Pond still has a surplus. A banquet and dance followed.

Brown in Sacramento Valley

The North British has appointed Richard C. Brown special agent for the Sacramento valley territory with headquarters at Sacramento, Cal.

NEWS BRIEFS

The newly-launched ladies' auxiliary of the Seattle Blue Goose is taking an active interest in Red Cross work. The November meeting was at the home of Mrs. A. M. Jones. The next meeting is slated for Dec. 15.

The Seattle Blue Goose is lending a hand to Thelma Dando, who was secretary in the field office of the Northern of London and Norwich Union group until she became ill several years ago and was confined to Firland Sanitarium near Seattle. Last year the pond helped Miss Dando capture high honors in a



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sales contest on anti-tuberculosis Christmas seals. She is seeking to repeat her performance of last year. Miss Dando is up and around much of the time and should be fully recovered very soon.

A motion picture "Army on Wheels" will be shown at the Dec. 1 meeting of the Iowa Blue Goose.

Will H. Harrison, veteran Iowa state agent of National Fire, is reported as improving at the Iowa Methodist Hospital in Des Moines, where he has been confined for the last week. He expects to return home shortly.

The Christmas party of the Indiana Blue Goose will be held Dec. 13. It will be a "hard times party."

Blue Goose members in Fargo, N. D., will hold their monthly luncheon meeting Dec. 1. Dr. Frank L. Eversull, president of North Dakota Agricultural College, will be the speaker.

The Wichita Blue Goose Auxiliary entertained the Sunflower puddle at its annual dinner-bridge-dance Nov. 22, with more than 50 present.

Marine Field Eyes New Situation

(CONTINUED FROM PAGE 5)

western hemisphere. Coverage has been sold even for trips between Boston and New York. The rate on these is of course extremely low.

"Time" Features War Risk

Indicative of the general public's interest in a branch of insurance which it is usually content to take for granted, the Nov. 24 issue of "Time" magazine ran a two column article on war risk insurance, including a picture of the nine man rate and underwriting committee of the American Cargo War Risk Reinsurance Exchange. Referring to them as the "nine cold men," the article states that "nowhere in the world are there colder, soberer, less wishful judges of naval warfare."

The exchange's total amount at risk is approximately \$600,000,000 and since it was set up in the summer of 1939 has insured risks of a total value of more than \$8,500,000,000. Though rates have reached 20 percent, which was on Mediterranean voyages just after Italy entered the war, the average for all United States foreign trade to all parts of the world has consistently been under 1 percent. The largest single risk which the exchange has so far taken on was a \$7,000,000 cargo on a ship from the far east. Largest single loss was \$3,000,000 on a cargo of tobacco on the Greek steamer "Petalli," which was bombed in Piraeus harbor last spring.

Rates to England

Rates on voyages to England are 10 percent. On the somewhat less hazardous westward trip the rates were recently reduced to 7½ percent. The rate to Suez is quoted as 5 percent. To the west coast of South America it is only one-eighth of 1 percent.

Underwriters apparently face a total loss on a \$2,000,000 cargo from the far east on a vessel nearly six weeks overdue. However, in view of the possibility that the ship has not been lost the name has not been given out. Within recent months the underwriters had a loss of about the same amount on another transpacific voyage when the Dutch steamer "Kota Nopan" was sunk by a raider.

The best way to increase your casualty premiums is to read The Casualty Insuror. Subscription price only \$1.50 a year. 175 W. Jackson Blvd., Chicago.

Hoope Is New Head of Cook County Field Club, Chicago

George F. Hoope of Moore, Case, Lyman & Hubbard, Chicago, was advanced from vice-president to president of the Cook County Field Club at the annual meeting there. Frank A. Dapper of the Sun was named vice-president and E. F. Fromm, Critchell Miller Insurance Agency, continues as secretary-treasurer.

The club will hold its annual party and installation of new officers Dec. 12 at the Germania Club.

The new executive committee includes C. Hinks, London Assurance; J. O. Knutson, Springfield; J. Segerdahl, National; T. E. Nation, Travelers, and J. P. Roach, Aetna Casualty.

Insurance is not considered an essential business entitling men in the military ages to deferment in the draft, Major V. A. Kleber of the army specialists corps, in charge of public relations in the Chicago area, told the club in a talk on selective service. However, generally, he said, if the drafting of a head of a business would put the employees out of work, this would be considered bad public policy. He urged the insurance men to secure blanks immediately and make claim for any employees who may be deemed entitled to deferment, as he said a delay would make proper consideration of their cases more difficult.

Illinois has put 60,000 men into the armed forces, he said. The standards of acceptance are much higher. In the first world war the machinery was geared so it could have put into service about 7¼ millions while today some difficulty is being experienced in securing 1½ million men, due to the more rigid medical requirements. Strict selection was adopted, for one reason, because it is estimated \$1,000,000 daily in disability payments have been made by the government to men selected in 1917 who never should have been in the service. Local examiners are merely "screening" the men and the final rigid checkup is made by the draft induction centers.

Post Mortem Discussions of Fall River Loss

NEW YORK—The Fall River conflagration continues to be a lively subject for discussion among both fire and marine underwriters, and is likely to be for sometime to come, not alone because of the large amount of insurance involved, but by virtue of other factors connected with coverage on the line. While holding that the engineers of the Factory Insurance Association are as competent as any to be found in the country, the question is raised as to whether the staff is sufficiently large to take care of the tremendous volume of new business assumed by the organization within the past two or three years. With the huge structures that have been erected throughout the east in connection with war defense activities, to say nothing of the old buildings converted to such use, the problem of making thorough engineering inspections and re-inspections has been a herculean one, and requires the services of a staff considerably larger than that hitherto employed by the F. I. A.

Another point stressed in connection with association risks, is whether proper emphasis is made upon the necessity of assured carrying out recommended protective safeguards, "or else." Post mortem criticism, usually harsh and oftentimes undeserved frequently is of value as a guide to future underwriting practice.

Have you made a check of the musicians in your community in an effort to insure their instruments? Call on music teachers with the idea of not only selling them, but also getting the names of students with expensive instruments which need protection.

Riots and Sabotage Are Discussed by E. A. Cordes

Discussing riots and sabotage at the annual meeting of the Rhode Island Association of Insurance Agents, E. A. Cordes, manager of the engineering department for the America Fore group, pointed out that the companies brought into use the standard riot, civil commotion and explosion insurance policy forms to fill the gap created by the exclusions of these hazards in the fire policy.

In Rhode Island, which does not have a statute defining "riots," the common law definition controls, he said. The policy covers riot, riots attending a strike, civil commotion, explosion directly caused by riots, riots attending a strike or civil commotion, and explosion from other causes excluding damage from fire following such explosion. The latter coverage was added to make it worthwhile for an assured to continue carrying the complete form of coverage.

The 90-day non-cancellation clause in the riot and civil commotion policy is not found in other policies of a fire company. It was included as a safeguard to both assured and company. Without it many assured might order riot insurance in contemplation of a strike or

labor disturbance and seek immediate cancellation because the disturbance had not materialized or the strike settled. On this basis, the writing of this type of insurance might have become a nuisance because of the negligible earned premium secured. On the other hand assured might buy the insurance without any immediate disturbance or trouble in mind, and the company would cancel if it got word such a situation might develop.

Mr. Cordes discussed the vandalism and malicious mischief, or broad coverage form. Sabotage was not used in describing this type of policy since a broad definition of sabotage includes many indirect and consequential damages that are not at all contemplated in the coverage. This form definitely excludes hazards which are insured against by other types of policies, such as U. & O., etc.

R. R. Wolfer, Jamestown, N. D., banker and local agent, has been named state administrator of the United States defense savings program for North Dakota.

F. K. Akright of Nowata has bought the O. H. Wills agency at Delaware, Okla. Mr. Wills died recently.

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EDITORIAL COMMENT

Proper Attitude in Conferences

In recording some of the characteristics that made the late President E. J. Bond of the Maryland Casualty a notable figure, one point was of paramount interest because it had to do with an official attending meetings and conferences. At a session of this kind a man may have pronounced views and refuse to agree to compromise or change his mind in any way. In his opinion he knows it all. He has reached a conclusion and regardless of what is said or done after that he remains adamant as granite.

It was stated that Mr. Bond always defended his views vigorously and in a forthright manner but that did not mean at all that he was unwilling to be shown. In mentioning this particular characteristic of Mr. Bond's, the writer of the article stated that one of his most

strongly held views was that a conference to which men came with preconceived decisions was a waste of time, since the same results could have been obtained by a mail vote. It was also stated that whenever Mr. Bond sent another official of the Maryland Casualty to take his place at a conference that man was always free to take whatever course his best judgment indicated. He was never told to vote a certain way. Mr. Bond wanted people to reach their own decisions.

If Mr. Bond's conference philosophy prevailed there would not be the bitter and malignant episodes that so often arise from those who refuse to be budged and who have little tolerance for the judgment of others. In this one particular Mr. Bond has taught a great lesson to insurance.

Defense Alone Is Static

SOME of the commentators and authors of books who have studied carefully the World War tactics on the other side take the position that defense alone is not sufficient but that there must be aggressiveness and militancy in a military policy. The army that is moving forward, that is invading, that takes the initiative in attempting to embarrass or injure the enemy has acquired momentum and as it goes along enthusiasm is created that makes it practically invincible.

Perhaps in the insurance business we have been too much on the defensive. We are inclined to shrink back when the

business is attacked rather than to take up the cudgels. Insurance, we think, needs to be far more kinetic and militant than it is today. It must visualize the needs of the public, meet them and then show the people that their wants are being supplied. Insurance should not wait to be told. It should do some of the telling. It should be prophetic enough to see what more is needed and then before it is compelled to act, it should do the acting. It should not hold back when it sees the necessity of marching. It needs to cast out much of its fear and be inspired with a more robust courage.

Changing Words Into Action

JOHN MARSHALL HOLCOMBE of Hartford, manager of the Life Insurance Sales Research Bureau, made a remarkable address in Toronto the other day, which is full of meat and can be taken to heart by all classes of insurance. He declared that insurance men are too sensitive to criticism. He referred to the TNEC investigation of life insurance. In its report it reviewed the marketing and distributing methods of life insurance. Its recommendations run along parallel for the most part with those that have been proposed by men within the business itself for some time but little has been done to really remedy conditions. As Mr. Holcombe put it, there was "offered nothing new but accepted and reinforced our own constructive criticism of our procedure."

Mr. Holcombe took the stand that it

is time to quit resolving and speaking and do some real acting. He said it is the duty of insurance people to discover every factor which can have an adverse effect on the selling process and modify it or eliminate it. He acknowledged that strides had been made in recent years along corrective lines but he called for a more militant policy. He suggested that the first step toward further improvement might be to personalize the problem and especially its solution.

He is anxious to have speeches and resolutions superseded by activity. There has been enough conversation, in his opinion and we agree with him.

When weaknesses are pointed out sometimes executives take this as institutional criticism rather than an individual one. They are inclined to ascribe these imperfections to the business as a

whole rather than to their own special companies. As Mr. Holcombe points out, while officials recognize that readjustment should be made their expressions, though they be candid, tend to take on an attitude of impersonality. As Mr. Holcombe puts it, "The speaker assumes an objective attitude and on that basis it is far easier for him to outline desirable changes."

When we are criticised, even though it be done in a very constructive and friendly way, the tendency is to draw in one's horns and assume an attitude of defense. These weaknesses, and they are known in all classes of insurance, tend to affect the whole structure. Mr. Holcombe has sounded a clarion note which should be heeded by general as well as life insurance men.

PERSONAL SIDE OF THE BUSINESS

Chester A. Snow, secretary Phoenix of Hartford, was in Chicago last week and visited agents in several Illinois cities. Mr. Snow has just finished a hard round of work on the revision of eastern use and occupancy rules and forms, as a member of the Eastern Underwriters Association subcommittee on this subject, and now finds himself swamped with requests to explain and elaborate on them.

W. H. Lininger of Evanston, Ill., retired western manager Springfield F. & M., has started for Tucson, Ariz., his winter home, and will remain there until May. En route Mr. and Mrs. Lininger will stop at Oklahoma City to visit their son, H. K. Lininger, state agent of Springfield F. & M.

C. T. Ingalls, former manager of the Oklahoma Inspection Bureau, who underwent an operation at St. Anthony's hospital in Oklahoma City, is recovering nicely and is expected to be able to leave the hospital within a week.

Charles A. Dupuis was honor guest at a dinner in Newark celebrating his 25th anniversary with the Firemen's of Newark group. With him were the 21 employees of his department, all being guests of President John R. Cooney of Firemen's. They presented Mr. Dupuis a wrist watch suitable engraved. His chief, James K. Meldrum, second vice-president, a veteran of over 51 years' service with Firemen's, made the presentation speech. Mr. Dupuis started as office boy with Firemen's in 1916. He worked up to examiner and in 1930 became special agent in metropolitan Essex county territory. He was promoted to assistant secretary in 1935.

John D. Harrison, special agent of W. A. Alexander & Co., Chicago, and Miss Elisabeth Cummings Richardson have become engaged. Miss Richardson is a daughter of the late Mr. and Mrs. Frank Richardson of Newburyport, Mass. She was graduated from St. Faith's House, New York City, and attended Teachers College, Columbia University. She has been engaged in educational work in New York, Evanston, Ill., and Worcester, Mass. Mr. Harrison is a son of Mr. and Mrs. Will H. Harrison, Des Moines. His father is Iowa state agent of National of Hartford.

Clarence A. Rich, well known insurance man who was formerly manager of the Underwriters Adjusting Company in Chicago, and later was in the reinsurance business in Hartford and New York, was in Chicago the early part of this week en route to Indianapolis and then journeying on to Pittsburgh to take Thanksgiving dinner with his daughter, inasmuch as Pennsylvania observes the holiday this week. Mr.

Rich is in the oil business in Texas in the fields west of Fort Worth. However, he is one of the so-called smaller business men who is being squeezed out by priorities and rigid regulations and restrictions imposed. He may return to the insurance business.

George E. Freese, southern Kansas special agent of St. Paul Fire & Marine, visited the home office and attended the Minnesota-Wisconsin game, rooting for the latter school, of which he is an alumnus. En route back to Wichita, he stopped in Sioux Falls, S. D., to visit his parents and old friends.

George W. Scott, educational director of the National Association of Insurance Agents, is being congratulated on the birth of a son. He weighs six pounds and 11 ounces. His name is George Winfield Scott, Jr. He announced his presence at Jackson Heights, Long Island, where the Scotts reside.

J. Edward Johnson, special agent London Assurance, Seattle, underwent an appendectomy last week, and is now well on the road to recovery.

J. S. Frelinghuysen, president of Stuyvesant, while in Chattanooga, Tenn., visiting the Sloan & Co. agency, expressed his views on strikes and national defense. He declared that the defense program is already being hampered by strikes and that strikes must end or the program will be defeated.

Arthur E. Clarke, executive secretary of the Massachusetts Association of Insurance Agents, and Mrs. Clarke are receiving congratulations on the arrival of their first child, a daughter.

R. F. Van Vranken, vice-president and secretary of Home, and Mrs. Van Vranken are vacationing at the Homestead in Hot Springs, Va., on the occasion of their 25th wedding anniversary. They stopped there on their wedding trip 25 years ago.

Mr. and Mrs. Oscar J. Eastman will observe their silver wedding anniversary Nov. 28. Mr. Eastman is secretary of Northwestern Fire & Marine. Attending the family party will be the Eastmans' son, Donald C., who is with the western department of Hartford Fire in Chicago, and his wife.

George C. Stahl, veteran Toledo, O., insurance man, celebrated his 95th birthday Nov. 21. He went there in 1873 with the Toledo Mutual Life and a year later became head of the G. C. Stahl Co., writing general insurance lines. He was active head of the company until 1934. His son, George S., is now in charge.

George C. Cundiff of Chicago, assistant manager of the farm department of Home, is on a vacation trip to San Antonio with Mrs. Cundiff. They are vis-



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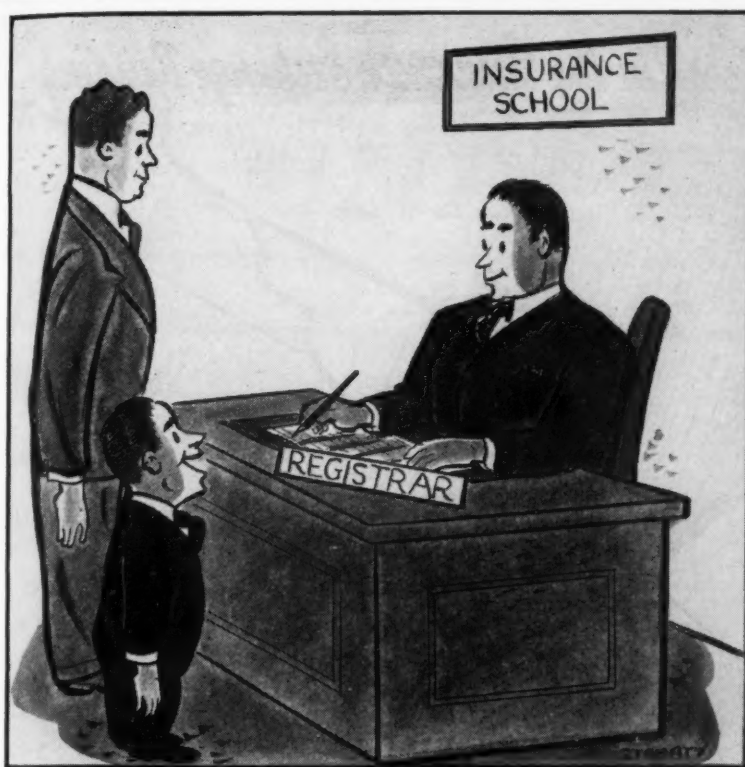
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"I'll take the short course!"

iting their son-in-law and daughter, Mr. and Mrs. George Tarter, and their grandson. Mr. Tarter is a lieutenant in the army stationed in San Antonio. Until he went into the service, he was farm special agent for Home in Kentucky.

E. B. Lilly, general adjuster in the Los Angeles branch office of the Fire Companies' Adjustment Bureau, has been called to St. Paul, Minn., where his father, **T. J. Lilly**, 82, state adjuster of Continental, recently underwent a major operation. **T. J. Lilly** is one of the veterans in the northwest field, having been with Continental for 55 years.

N. R. Overstreet, Arkansas state agent of National Liberty, who has been ill for several weeks, is still confined to his home in Hot Springs, though he is considerably better.

DEATHS

William J. Haid, who was connected with the Pittsburgh office of the Fire Companies Adjustment Bureau and was a brother of President Paul L. Haid of the Insurance Executives Association, died at Veterans Hospital in Dutchess county, N. Y., where he had been confined for several weeks. Funeral services were held Monday in Mount Lebanon, Pa.

Adam J. Guth, 79, Akron, O., agent for 44 years, retiring two years ago, and prominent in civic affairs, died after a long illness. He was past president and charter member of the Fifty-Year Club.

A. J. Knoeffler, 68, local agent in Canton, O., for 30 years, died there.

Raymond Tucker, 66, in insurance work in Boston for 40 years, died at his home in Newtonville. He graduated from Harvard in 1897 and was first associated with the North America and later in the O'Brien, Russell & Co. general agency. In recent years he had conducted his own agency.

W. R. Piper, 64, of Marr, Piper, Eckford & Jackson agency, El Paso, Tex., died there.

Ralph B. Hardy, 68, who operated an insurance agency in Mokenca, Ill., 45 years, died in Billings Memorial Hospital, Chicago. The leading agent in the

town, he also served as a justice of the peace.

W. C. Anderson, 38, a counterman in the New York local office of Norwich Union Fire and an employee of the company since 1926, died Monday. He resided at Leonia, N. J.

Emil Krauth, real estate and insurance agent of Hebron, N. D., and one of North Dakota's best-known amateur scientists died there.

CALLED TO SERVICE

Lieut. Allen E. Smoll, son of A. E. Smoll, past president of the Wichita Association of Insurance Agents, has been ordered to active duty with an anti-aircraft unit at Camp Haan, Riverside, Cal.

James Danforth, who has been connected with Western Adjustment in Indiana for the past year is now in army service and is stationed at Camp Wolters, near Mineral Wells, Tex. His father is **Ralph Danforth**, assistant secretary of Millers National and most loyal gander of the Illinois Blue Goose.

To Inquire on Rising Values

NEW YORK—The Aetna Casualty firm, "Your Right to Drive," was shown at the meeting of the Richmond County Association of Local Agents. The association adopted a resolution providing that mortgage institutions would be notified to ask mortgagors whether they were sufficiently covered by fire insurance under the coinsurance clause in view of rising values. A social meeting will be held Dec. 19. **H. F. Matthius**, president, was in charge of the meeting.

La. School Line Again Divided

NEW ORLEANS—The Jefferson parish school board, which last August cancelled outstanding policies written by about 12 agents residing in the parish and awarded the entire line to one agent, has decided to go back to the old plan and distribute the business among the dozen agents of the parish. New policies will be written for five years from Dec. 12 for \$1,700,000 fire insurance and about \$850,000 windstorm. The combined premium will be about \$40,000. Most of the agents affected have their offices in New Orleans but reside in Jefferson.

In times like the present, when great national activity creates new conditions for many property owners and business concerns, certain new values and equities are formed necessitating changes in the insurance protection carried. Many do not realize the extent of their latest insurance requirements until the Agent presents a comprehensive analysis report.

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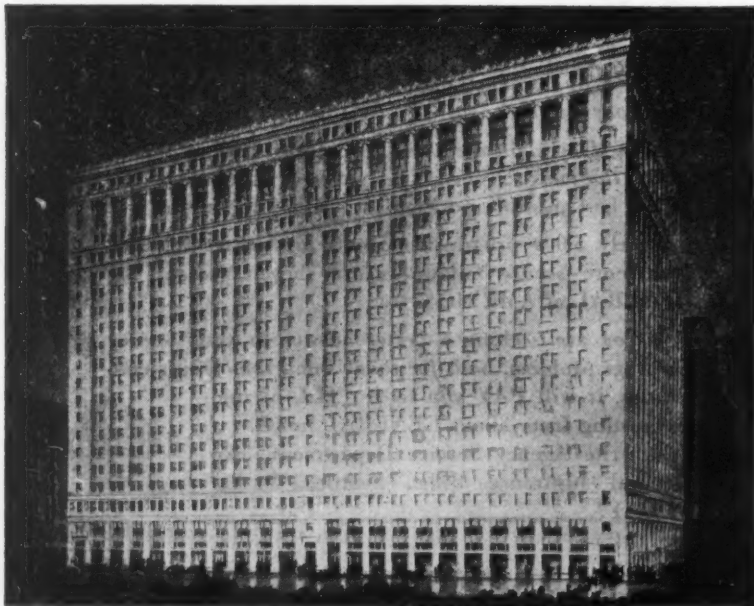


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The NATIONAL UNDERWRITER

November 27, 1941

CASUALTY AND SURETY SECTION

Page Seventeen

Open Stock Burglary Is Best Seller Today

Demand Is Keen for Cover, Reflecting Current Defense Situations

Open stock burglary insurance is currently one of the best selling policies of casualty companies. There is a very brisk demand and requests for such insurance are being made in behalf of risks that in the past have consistently refused to insure.

One reason for the demand is dramatically illustrated by the bizarre story of the theft of 1,300 pounds of lead counterweights from that portion of the Chicago outer drive bridge Sunday night that crosses the Ogden slip. Five men during the night sawed off the counterweights at the bolts, each counterweight weighing 50 pounds. They loaded the counterweights in their automobiles and drove home. They were acting suspiciously and were seized by the police.

These men were prompted to attempt this strange theft because they had read that the market price for lead was \$5.70 a hundredweight.

There have already been a number of thefts of goods of various kinds of which there is a shortage and for which a good market exists. Potential thieves apparently are attracted by the opportunity that exists today. There have been thefts of metals from factories and warehouses, thefts of tools of one kind and another and thefts of goods from mercantile establishments that are attributable to present day shortages. Apparently, as merchants and manufacturers become aware of the value of certain portions of their inventories and of the difficulties of getting replacements, they become extremely good prospects for burglary insurance. Merchants that handle imported articles have been good buyers of open stock burglary insurance. For instance, a number of Chinese merchants that have not previously insured, have bought such insurance lately.

Brass Door Checks Stolen

Some weeks ago the owner of an establishment, who had just recently installed brass door checks throughout the place sought burglary insurance on these units. They had cost him \$15 apiece and he had just discovered that they were then worth \$20 apiece. Just a few days after he had made inquiry about such insurance, his place was entered and thieves removed and departed with each one of the door stops. They probably could dispose of these for at least \$10 apiece.

The companies are still getting requests for burglary U. & O. insurance on tools and small machine parts and even on raw stock. However, so far

Warns Against Socialized Health Plan Proponents

A warning that advocates of socialism are taking advantage of the present hour of national peril to unload upon America a system of compulsory health insurance, was issued by E. J. Faulkner, president Woodmen Accident, at a meeting of the Chicago Accident & Health Executives Forum. At a time when every right thinking American should be rallying behind the defense program "we are called upon to consider and resist one of the most revolutionary and un-American doctrines ever seriously advocated by a responsible American government," Mr. Faulkner declared.

The enactment of the federal social security law sets the stage for the entry of the compulsory health insurance advocates into the highest councils in the land. Since that time the inter-departmental committee on economic security, the "handpicked" National Health Conference and the District of Columbia group health association has been created and various bills for compulsory health insurance introduced. Obscured by international development, proponents of compulsory health insurance are now taking advantage of the situation to promote their own aims. In face of the gravity of this situation, "we must face the issue," Mr. Faulkner declared. "Unless the American public moves decisively to protect itself now against these proposals and the alien philosophies which they represent, it will be too late. Under the guise of national defense they will have been sold down the river of socialism."

Principal Aim Is Government Fund

In analyzing the characteristics of compulsory health insurance plans, Mr. Faulkner said they differ in details, with the principal aim of creating a govern-

ment managed fund raised by payroll deductions. From the fund are paid cash benefits for disability and the cost of medical services rendered to workers who become disabled. Cash benefits are gauged by the workers' wages and medical benefits, rendered in the form of services, are rigidly standardized and purveyed by approved panel doctors, specialists and hospital facilities.

as can be ascertained, such insurance is not being written. The demand for certain types of goods and articles is so great these days that merchants and dealers who are not too scrupulous, would undoubtedly buy what was offered, without asking questions about where they came from. As an extreme example of what can happen, there was a dealer in awnings who not so long ago suffered a serious theft and recovered from an insurance company. It later was established that a competitor had caused the theft to be made and he had taken the stolen stock himself. That illustrates the premium that is placed on certain goods and articles these days and the strong temptation and even invitation to theft that exists.

Some of the insurers do not look with favor upon issuing burglary insurance to cover tools. They theorize that tools are always disappearing, some being misplaced, some being taken off by employees and others being broken. Of course, these occasional losses are not covered, but when and if burglars do break into the place and take away a supply of tools, claim is likely to be made for all that are missing, including those that have been quietly disappearing.

In considering social health insurance three fundamental questions should be considered: Is a system of compulsory health insurance needed in this country to make available adequate health service? Would compulsory health insurance improve the health of our nation and what would be the price of compulsory health insurance and its effect upon the rest of our economic and political structure?

Claim Care Is Deficient

Proponents of compulsory health insurance state that Americans are not now receiving adequate medical care and the average American cannot afford it. They hold that the individual practice of medicine is obsolescent because group medical practice is implicit in compulsory insurance. Arguments are used that through socialized medicine the financial status of the medical man will be improved and that it will remove the spirit of commercialism which proponents say permeates the profession.

The final argument, and in Mr. Faulkner's mind the most frank, is that compulsory health insurance based on taxes would recognize the social nature of sickness and spread the cost of it over the entire population.

Receive Best Care in World

Mr. Faulkner denied the contention that the people are suffering from inadequate medical care. Americans receive the best medical care in the world despite the so-called advantages of the social medicine and compulsory insurance in foreign countries. The survey by the committee on the cost of medical care indicates that only 5 percent of those sick did not receive proper medical care. The American Medical Association and its state affiliates have made a conscientious effort to check up on the discrepancies between the claims of widespread neglect and the actual situation. The New Jersey Medical Society advertised in newspapers asking for information concerning people who had been unable to obtain medical attention and offered free treatment to all such. Only 127 responded in the entire state. One of the contentions of the medical care cost committee is that the average American family is not receiving adequate medical care because its annual expenditure falls below the estimated minimum standard of \$72 yearly.

Small Percentage Need Care

In answering the charges that the high percentage of rejections under the selective service act indicates the need for compulsory health insurance in order to check American deterioration, Mr. Faulkner cited figures from a medical survey conducted by the War Relocation Authority. It showed that only 1.5 percent of the Japanese-Americans in the camps were rejected for military service. The high percentage of rejections under the selective service act indicates the need for compulsory health insurance in order to check American deterioration. Mr. Faulkner cited figures from a medical survey conducted by the War Relocation Authority. It showed that only 1.5 percent of the Japanese-Americans in the camps were rejected for military service.

(CONTINUED ON PAGE 24)

N. Y. Department Eyes Surcharge on Certificated Risks

Takes Heed of Protests of 10% Extra Under Page-Anderson Law

NEW YORK—Because of protests against applying the scheduled 10 percent surcharge to the vastly greater number of risks which will have to file certificates of financial responsibility when the new law goes into effect here Jan. 1 the New York department is looking into the reasonableness of retaining the surcharge in the rates after the first of the year.

Critics of the surcharge have pointed out that while only about 8,000 certificates a year have to be filed under the present law the number would be multiplied enormously when the new and much stricter financial responsibility statute goes into effect. Furthermore, while the present law requires filing only for unsatisfied judgments or specified gross traffic law violations the new law will require filing in many cases where no fault is shown or where it is extremely minor. Another criticism that has been made is that the New York preferred risk rating plan in itself provides for higher charges on risks that have shown themselves to be less desirable and that an extra 10 percent surcharge just for filing would be in the nature of a double penalty.

No Limit on Time

Critics have also observed that while the present law requires an offending driver to maintain insurance and show evidence of financial responsibility for three years there is no limit whatever under the new law and consequently no limit on the length of time that the insured would have to pay the 10 percent surcharge for filing.

Among the leaders who have protested against the inclusion of the 10 percent surcharge after Jan. 1 are Joseph J. Magrath, vice-president of Federal, and Charles J. Schoen, Mt. Vernon, N. Y., prominent in the Westchester County Local Agents Association. Mr. Magrath brought the situation out into the open by his letter to the New York "Journal of Commerce."

Timing of the protests on the surcharge indicates that its critics have in mind not only the approaching effective date of the new financial responsibility law but also the fact that rate revisions in New York are customarily promulgated early in December. Hence, if the question of eliminating the surcharge for filing is to be raised before the new rates, if any, are an accomplished fact the protests had to be lodged no later than the latter part of November.

New rates if they involve reductions, have ordinarily been made retroactive for a period of 60 days prior to the announcement.

(CONTINUED ON NEXT PAGE)

C. C. Gardiner Fills Graham's Post

N. Y. Official Becomes Acting Head of Hartford Steam Boiler

HARTFORD—At the meeting of the directors of Hartford Steam Boiler Tuesday Curtiss C. Gardiner, vice-president of the company at New York, was selected to come to Hartford and assume the authority and responsibilities of executive vice-president in place of the late Vice-President John J. Graham. Mr. Gardiner has for many years been in charge of the company's important New York office and is well known in insurance circles. He will take up residence permanently in Hartford as soon as circumstances permit.

While there was no formal announcement, it was believed that Mr. Gardiner will relieve President William R. C. Corson of some of the details of his work. Mr. Corson has been in poor health and confined to his home for several months.

Mr. Gardiner was born in St. Louis and has been with Hartford Steam Boiler since 1894. He was St. Louis manager from 1900-1905 and has been New York manager since then. He was elected vice-president and a director in 1927.

Independents Agree to Boost P. L., P. D. Rates in Illinois

Non-conference casualty companies operating in Illinois got together this week on the problem of rate inadequacy on P. L. and P. D. on private pleasure automobiles due to increasing loss ratio in the latter part of this year, with the result 12 agreed to boost the scale Jan. 1 to the level previously set by five other non-conference companies.

Five additional companies which were represented were unable to take definite action as the proposal had to be approved by the home offices, but it was indicated they probably would concur.

Mavon Calls Another Meeting

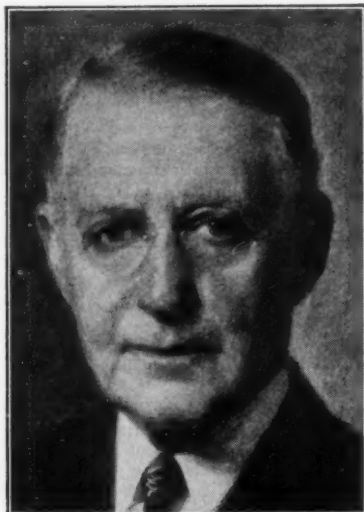
The conference was called by G. A. Mavon of Chicago, resident vice-president of Trinity Universal in Illinois, who after the meeting extended an invitation to independent companies that were not represented to have someone attend a further meeting next Thursday and indicate their attitude.

It is hoped by Mr. Mavon, informal chairman, that all the independents will cooperate. He said this is not a time for "lone wolf" tactics. The auto P. L. and P. D. situation is grave, with an increasing volume of losses coming since June 1. This tendency he ascribed largely to the hazard of young drivers, but a factor is defense work congestion on highways, and also probably lessened morale due to war alarms and tension.

An effort will be made, according to Mr. Mavon, to knit the informal conference of independents into an organization which will serve as a medium for interchange of ideas and experience, and to secure concerted action on problems common to all member companies.

The proposed rate increase, to the level set by American Automobile, Car & General, Continental Casualty, Yorkshire Indemnity and Associated Indemnity—the latter company recently having filed its higher scale with the Illinois department but not yet secured its approval—will be about \$2 throughout the state for standard limits of coverage. The Chicago and Cook county rate on private passenger cars for P. L. and P. D. will be \$32.65, an increase from \$30.60. The independents' scale generally in Illinois has averaged 7 to 8 percent less than that of the five companies which acted earlier this year to meet increased loss ratio.

45 Years



T. J. FALVEY

President T. J. Falvey of Massachusetts Bonding at this time is completing a span of 45 years in the insurance business. He started in New York City as a solicitor. Forty years ago Mr. Falvey went to work in a little office in the basement of a two-story building at 85 Water street, in Boston. On that site now stands a 14-story modern office building that is owned by and contains the home office of Massachusetts Bonding.

In 1942 Massachusetts Bonding will mark its 35th anniversary. Mr. Falvey was the organizer of that company, was its first president and has continued in that position ever since. He is thus credited with being the senior chief executive of the casualty business in point of number of years in the chief executive position. Mr. Falvey was born at Lebanon, Conn. He and Mrs. Falvey just recently celebrated their 49th wedding anniversary.

One son, Wallace J. Falvey, first vice-president of Massachusetts Bonding, devotes most of his time to the conduct of company affairs in its greater New York branch and the other son, Donald Falvey, is secretary-treasurer.

County Authorized to Buy Liability Protection

ST. PAUL.—In the event a county would in any way be liable for the negligent maintenance of its court house property, then the county board would be authorized to purchase and pay for insurance against such liability, E. J. Devitt, assistant attorney-general of Minnesota, has ruled in answer to a question from O. E. Lewis, Clearwater county attorney.

Ordinarily, Mr. Devitt said, a county is not liable for the negligent acts of its employees when performing governmental functions and a county would therefore be without authority to pay premiums for insurance against a non-existent liability. Mr. Lewis explained that "offices in the court house are nowadays used for many activities which might not be considered as being strictly pursuant to governmental functions." In such an instance it would be possible, he suggested, that a liability might arise on the part of the county because of injuries suffered by some person who would use the court house facilities for business other than that related to governmental functions.

Princell to Transportation

Stanley O. Princell has resigned as automobile underwriter in the Chicago office of Central Surety and has been appointed underwriter of automobile and inland marine in the head office of Transportation. He has had 13 years'

N. Y. Banks May Indemnify Directors

Stockholders to Vote in January—Renews Interest in Insurance Idea

NEW YORK—That a real demand exists for some form of directors liability insurance is indicated not only by the numerous inquiries received by surety companies but also by the recent announced determination of a number of banks of New York state to submit to their stockholders at their January meetings an amendment to their by-laws providing that the banks shall indemnify their directors for costs of defense of suits against them.

Bank Proposition

The proposition of the banks, as drafted at this time, stipulates: "Each director of the company shall be indemnified by the company against (reasonable) expenses actually and necessarily incurred by him in connection with the defense of any action, suit or proceeding in which he is made a party by reason of his being or having been a director of the corporation, except in relation to matters as to which he shall be adjudged in such action, suit or proceeding, to be liable for negligence or misconduct in performance of his duties as such director; such right of indemnification shall not be deemed exclusive of any other rights to which he may be entitled, under any (statute), by-law, agreement, vote of stockholders or otherwise."

New York, alone among the states, has a law permitting indemnification of bank directors, and several of the big financial institutions of this city already have qualified under it.

Whether national banks would be able to reimburse directors for liability for errors of judgment is a moot question, on which the opinion of the comptroller of the currency has been asked.

While surety officials have informally considered the practicability of issuing a bond indemnifying directors for the costs of legal actions brought against them, the subject has never been taken up as a definite proposition, save by one prominent office, whose judgment was adverse.

Country-wide interest in the subject was stimulated by an address by R. T. Wood, manager of the fidelity department of American Surety before a Chicago gathering nearly a year ago, since which time agents and brokers in considerable number have been writing surety offices, inquiring whether such form of indemnity is available for their clients.

N. Y. Department Eyes Surcharge

(CONT'D FROM PRECEDING PAGE)

nouncement date. If this were not done there would be a tendency for insured who had not already paid their premiums to let the policies run until they were canceled for non-payment of premiums and then purchase new insurance at the lower rates. The presumption is that policies issued prior to the 60-day retroactive period would have been paid for before the announcement of the new rates.

insurance experience, all in Chicago. Mr. Princell started with Millers National, doing examining and underwriting automobile and fire business. After nine years he went with American Automobile as special agent and also did counter underwriting. He had been connected with Central Surety only about six months.

Apply New Benefits to Outstanding Auto Policies

The National Bureau of Casualty & Surety Underwriters announces that 47 stock insurers have agreed that the improvements in coverage and broader protection afforded by the third revision of standard provisions for automobile liability policies, which became effective Oct. 20, shall apply to outstanding policies with respect to accidents occurring on or after Oct. 20. Seven other companies have made such a declaration in respect of New York risks only. The substantially broader protection resulting from the third revision is particularly opportune in New York state because the new motor vehicle responsibility law, which goes into effect Jan. 1, 1942, requires broader coverage than heretofore.

Announcement of the agreement was made in a letter from William Leslie, general manager of the National Bureau, to J. W. Rose, secretary of the New York State Association of Local Agents; George Sullivan, General Brokers Association, and W. W. Ellis, Insurance Brokers Association of New York.

One of the New York producers' organizations, Mr. Leslie said, had suggested that in the interests of conserving the time of producers and companies the National Bureau request its members and service subscribers to commit themselves in writing to such an interpretation, and thus enable the bureau to furnish to New York producers' organizations a list of such companies.

The bureau's executive committee authorized Mr. Leslie to invite the companies to give such written commitments to the bureau.

Companies which have given unlimited acceptance to the statement are:

Accident & Casualty, Aetna Casualty, Allstate, American Employers', American Guarantee & Liability, American Surety, Arax Indemnity, Bankers Indemnity, Central Surety, Century Indemnity, Columbia Casualty, Commercial Casualty, Continental Casualty, Eagle Indemnity, Employers' Liability, Fidelity & Casualty, Fireman's Fund Indemnity, General Accident, Glens Falls Indemnity, Globe Indemnity, Great American Indemnity, Hartford Accident, Home Indemnity, Indemnity of North America, London & Lancashire Indemnity, London Guarantee, Maryland Casualty, Massachusetts Bonding, Metropolitan Casualty, National Casualty, New Amsterdam Casualty, New England Casualty, New York Casualty, Norwich Union Indemnity, Occidental Indemnity, Ocean Accident, Peerless Casualty, Phoenix Indemnity, Royal Indemnity, Standard Accident, Standard Surety & Casualty, Sun Indemnity, Travelers, United States Casualty, U. S. F. & G., Yorkshire Indemnity, Zurich.

Those whose acceptance is limited to policies issued to New York risks are: American Automobile, General Casualty of Seattle, Merchants Indemnity, Preferred Accident, Protective Indemnity, United States Guarantee, Universal Indemnity.

Favor Botein for Judge

NEW YORK—Bernard Botein, whose rise to fame was in large measure due to his investigation of accident fraud in New York City and his unearthing of the graft in the New York State Fund, is reported to be Governor Lehman's choice for appointment to the state supreme court post left vacant when Lloyd Church resigned to enter the campaign for city controller of New York. If the governor appoints Mr. Botein it will be against the wishes of Tammany Hall, which urged him to reappoint Mr. Church.

Guest Laws Go Through Testing Process in Courts

Are Less Effective Than Hoped For But Much Better Than Nothing

Something of a trend in the nullification of guest laws by action of courts and juries in those states that have such statutes has been noted by claim men and attorneys. However, what is happening apparently is that these laws, comparatively young as legislation goes, have been going through a process of testing and interpretation.

However, attorneys and claim men recognize that the existence of the guest statutes does give the companies some basis on which to make a defense, and it places on the plaintiff the burden of proving more than ordinary negligence.

Happens With All Laws

Whenever new legislation goes on the books, attorneys begin to test and prove its strength and weakness. This is happening in the case of the dram shop act in Illinois. It also is occurring with respect to financial responsibility laws. A few years ago it was true of occupational disease.

As attorneys learn more about the new legislation and put cases involving it through the courts, it becomes apparent that the statute is less preventive of a condition than its advocates intended or hoped.

In this respect there has been a trend toward lessening the effect of guest laws. However, the rough guess of one claim man is that, all things being equal, the insurance companies will win five cases in a state with a guest law against one in a state without such a statute.

Jury and Court Attitude

There are guest statutes in effect in 26 states, and in some of the other states court decisions limit the liability in cases involving a guest. Some times the character or attitude of juries and courts change, but when this happens it is with respect to litigation generally and not to automobile liability litigation in particular.

Another thing that has happened is the discovery by plaintiffs and plaintiffs' attorneys that the cost of appealing a case is high and that a settlement for less than the appeal cost can often be effected. In case a claim is for \$100 to \$150 and it costs \$600 to \$700 to appeal, the insurance company is naturally inclined to settle.

Situation in Some States

Some states are considered poor ones in which to defend, and among the ones mentioned are Montana, South Carolina, Mississippi, Arkansas, Texas and Oklahoma. In one southern county it is said that there has been no verdict rendered in favor of a defendant in 12 years.

In Illinois, where "willful and wanton negligence" must be shown in guest cases, the courts, in cases of appeal, have left uniformly undisturbed the decision of the lower court juries in this respect. The question of fact is, of course, up to the jury to decide. In Michigan, on the other hand, the appeal courts have taken a rather firm position that more than simple negligence must actually be borne out by the evidence.

Massachusetts doesn't have a guest statute, but there is a supreme court decision on which much reliance is placed and it holds gross negligence must be shown by the evidence, unless

(CONTINUED ON PAGE 25)

Successful Oklahoma School



OKLAHOMA CITY—The fall lecture course conducted by the Institute of Insurance of the Oklahoma Capital Stock Insurance Council here last week under direction of Addison Sessions, dean of the institute, drew an attendance of nearly 250. Enrollment included local and special agents, field men, general agents, office employees and adjusters, with some agencies materially crippling their office service in order to give employees the opportunity of attending. More than 30 towns in Oklahoma, Texas, Arkansas and Kansas were represented.

Confined to casualty and surety, the subjects were presented by speakers selected by a committee headed by Leslie Williams of U. S. F. & G. at Oklahoma City. The council also sponsored a fire insurance institute in June. Next

fall the two schools will be combined into one.

Procedure differed from that of most insurance schools in that no time was allotted for entertainment. Mornings, afternoons and evenings were reserved exclusively for school sessions. It was compulsory to take the examinations. These were broken down into two questions after each lecture. About 80 percent made a grade of 70 or better, which entitled them to diplomas.

Following the final dinner and round table discussion T. Ray Phillips, president of the council, presented diplomas. As a mark of appreciation of his efforts in staging the school and in recognition of his ability and knowledge of insurance, Mr. Sessions was presented with a doctor's degree in fire and casualty insurance.

More Teeth in Minnesota Drivers License Law Sought

ST. PAUL—More teeth in Minnesota's drivers license law are sought by members of the traffic safety committee of the Minnesota Safety Council, who criticized as too mild the report of the executive committee of the council.

This report proposed that licenses be renewed each year without compulsory driving tests and physical examinations. It was laid on the table when some members of the safety committee opposed it and wanted such tests required before renewal of licenses. These tests now are given only when ordered specifically by the state highway commissioner.

Stricter Local Enforcement

The report also recommended increased highway patrol personnel and stricter local enforcement.

Participating in the meeting of the executive committee were Commissioner Johnson, T. G. Linnell, Minneapolis general agent, and Ward Senn of the Pioneer Insurance Agency, Minneapolis. Mr. Linnell, who is chairman of the fire prevention committee of the safety council, reported that fire prevention groups are being organized throughout the state.

Convict Texas Claim Faker

Sam Thompson, 35, Negro yardman, who has collected some \$4,000 from 58 fake accident claims in Dallas and Fort Worth, has now collected two years behind the bars for false swearing. He was convicted in Houston, Tex., as a result of investigations made by the Dallas office of the Association of Casualty & Surety Executives.

One of his favorite stunts was to fill his mouth with finely ground glass, walk into a beer parlor or a soft drink stand, take a mouthful of the liquid from the bottle, and shriek as though in great pain, shouting that there was glass in the bottle. A doctor's examination would show traces of glass in his mouth and the bottling concern generally paid off.

Battle Royal in Rochester Over Auto Cover

The hot competition that has developed in Rochester, N. Y., in connection with the selling of automobile insurance on the weekly premium installment plan is attracting nationwide interest these days.

Some three years ago James H. Farrell organized an agency known as Modern Protection, Inc., to sell automobile insurance on a weekly premium basis with a carrying charge of 18 percent. The business was developed through solicitors who operated much as do industrial life insurance men. Then several months ago the Ezra J. Bowler agency began to advertise that it would write auto P.L. and P.D. at \$1 a week without service or interest charges. The payments would continue for 34 weeks, whereupon 40 members of the Insurance Board of Rochester started to advertise insurance at 65 cents weekly. The installments were payable for 52 weeks and there was to be no down payment, carrying charge or increase in premium. To meet the competition Modern Protection, Inc., has discarded the 18 percent carrying charge.

The battle is hot but it seems certain that none of the agents is making any money on this basis.

Maryland Casualty Pays 7 1/2% Living Cost Bonus

Maryland Casualty has decided to pay a cost of living bonus to employees at the rate of 7 1/2 percent on the first \$2,500 of their annual base salary. The extra compensation will be paid monthly.

Credit Men Hear Liability Talk

M. B. Weber, third vice-president Lumbermen's Mutual Casualty, discussed automobile and other forms of liability at a meeting of the Chicago Association of Credit Men. Mr. Weber dealt with standard insuring provisions and conditions and devoted most of the period to automobile forms.

Industry Warned of Hazards Due to Defense Speed-Up

New Processes, Longer Exposures Need Watching, Hygiene Men Told

New actual and potential hazards arising out of the rapidly developing defense industries came in for considerable discussion at the recent annual meeting of the Industrial Hygiene Foundation in Pittsburgh. Warren A. Cook of Zurich in Chicago, who is a former president of the American Industrial Hygiene Association, mentioned in his report the possible dangers in the rapidly expanding magnesium foundry industry.

Magnesium is extensively used in aircraft and in aviation motors because of its extreme lightness. He said that in addition to the usual dust exposures which must be controlled in foundries there is the added danger of exposure to sulphur dioxide produced when the molten magnesium is poured into the sand mold if the sand has been given a sulphur content to reduce the tendency of the magnesium to oxidize. It is probable, he said, that exposure to ammonium silicofluoride, which is sometimes used to replace part of the sulphur, and exposure to carbon disulfide, which is used in testing the sand's sulphur content, are insufficient to produce any demonstrable injury but these exposures should be checked so that possible poisoning can be prevented.

Vapor a Hazard

Carbon tetrachloride, widely used as a fire extinguishing agent, is sometimes used in connection with magnesium casting and if so it is necessary to guard not only against the harmful effects of exposure to the carbon tetrachloride vapor itself but also to make sure that there is no exposure to phosgene, into which carbon tetrachloride is converted if the vapor comes into contact with incandescent surfaces. Phosgene was used as a poison gas in the last world war.

The supply of toluol, a solvent used in spray paintings and for other purposes, has been pretty well drained away from the general market by the demands of the munitions industry, since toluol is an essential ingredient of a number of explosives. This has brought about a more extensive use of benzol in many industrial operations where toluol had formerly been used, a situation which Mr. Cook said should be very carefully checked because of bad effects from inhaling benzol vapors. He said that even toluol may produce a narcotic effect on workers in the airplane industry where such confined areas as the blind end of the fuselage must be spray-coated.

EXPOSURES INCREASED

Mr. Cook particularly warned against the danger that operations which hitherto have been quite harmless may injure workers' health because of the longer or more continuous exposures due to increased production schedules arising out of the defense program. He cited as an example fatal poisonings which have occurred in an operation involving one of the moderately poisonous solvents which had previously been used on shorter schedules without any injury to health. He warned manufacturers against becoming so occupied with direct production problems that they overlook industrial hygiene. Efficient pro-

(CONTINUED ON PAGE 22)

ACCIDENT AND HEALTH

Conference Annual, Winter Meets Set

The annual meeting of the Health & Accident Underwriters Conference will be held at Hotel Muehlebach, Kansas City, May 25-28.

The dates were announced after a conference between Executive Secretary Harold R. Gordon and the local convention committee composed of Kansas City representatives. On this committee are: J. H. Torrance, chairman, Business Men's Assurance; E. G. Trimble, Jr., Employers Reinsurance; Ross J. Ream, National Protective; J. T. Mayall, American Savings Life, and F. W. Duboc, Western Casualty.

Following the plan in past years, the golf tournament will be held Monday, May 25, with business sessions May 26-28.

The midwinter meeting of the Conference will be held at the Stevens Hotel, Chicago, Jan. 22. This is a one-day affair with sessions both morning and afternoon, consisting of informal discussions.

Davis Analyzes Standard Provisions in Los Angeles

LOS ANGELES—An analysis of the standard provisions of accident and health policies, incorporated by statutory regulation in practically all the states, was given before the Accident & Health Managers Club of Los Angeles, by Charles H. Davis of Chicago, manager eastern railroad department Pacific Mutual Life.

Mr. Davis, who was on a visit to his company's home office, also gave some general comment on accident and health insurance, saying that most of the business is written by part-time men, that is, by men who also sell other forms of insurance, life, casualty, etc. He declared that as the business grows and becomes more important there will be more full-time men engaged in it.

He took up the first 15 standard provisions and gave his idea of what they mean and how they should be interpreted.

President F. B. Alldredge, Occidental Life, named a nominating committee and also a committee to arrange for the annual Christmas party.

Accident-Health Booms in Canada in War Times

TORONTO—Canada under war conditions is apparently more health and accident-conscious than ever before. The leading companies report an increase in premium volume that will make 1941 an outstanding year for disability insurance in the Dominion. Several casualty companies that have not heretofore pushed accident and health are setting plans to make a drive for this business while the country is prosperous and busy.

The Mutual Benefit Health & Accident, which has operated in Canada for six years, reports an income of \$930,000 for the first ten months and indications of a total for the year of approximately \$1,200,000, against \$757,490 in all of 1940.

L. F. Flaska, executive vice-president in charge of the Canadian office, reports that business activity from the Atlantic to the Pacific has contributed to this increase, and that the loss ratio under war conditions is as normal as at any other time.

Accident-Health Association Is Organized in Baltimore

The Baltimore Association of Accident & Health Underwriters was organized at a meeting there with P. E. Ansel, Monarch Life, as acting chairman. An organization committee was

formed from those in attendance at the initial meeting, including A. K. Walters, Massachusetts Protective; C. N. Dewitz, Mutual Benefit Health & Accident; G. G. S. Reus, Jr., Monarch Life; R. P. Roberson, Retail Credit; R. K. Tongue, Commercial Casualty; Harry Prevost, United States Fidelity & Guaranty; R. F. Blaul, Monarch Life, and J. E. Shultz, Hooper-Holmes Bureau. Representatives of 10 other companies have expressed interest and will attend the next meeting. All of the organizers are enthusiastic over the association.

The next meeting and luncheon will be held Dec. 12 at which time officers will be elected and committees appointed. The election of officers was delayed, as it is hoped to have a representative of the National association in attendance at that meeting.

First 1942 Hoodoo Day Drive Set for February

With 1942 the first triple threat year in 11 years, the first Hoodoo Day drive will be staged in February, according to plans outlined by The Accident & Health Review. The main objective of the Hoodoo Day campaigns is for participating agents to prepare a list of 26 prospects, send them two pre-approach mailings and then write 13 applications on Friday, the 13th. Inasmuch as Friday comes on the 13th in both February and March, agents are being urged to sell 13 applications on Feb. 13 and to sell 13 more before March 13. The third Friday, the 13th, in 1942 comes in November.

Agents can secure special "26-13" Hoodoo Day sales kits from their accident companies. Special portfolios outlining full details of the campaign can be secured by managers and company men by writing The Accident & Health Review, 175 West Jackson boulevard, Chicago.

Offers Accidental Death Rider

North American Life & Casualty is offering an accidental death rider, paying \$1,000, that can be attached to any individual or group hospitalization policy at a cost of \$3 a year. It covers all types of accidents.

Cummings Twin City Speaker

ST. PAUL—Insurance agents must expect constant changes in their business and must keep up with them if they expect to succeed, Harold J. Cummings, agency vice-president of Minnesota Mutual Life, told the Twin City Health & Accident Club at its November meeting.

"During the first world war, many insurance men thought that government insurance to soldiers would put us all out of business," said Mr. Cummings. "But those sharp enough to take advantage of the situation found that thousands of men were educated to think of life insurance in terms of \$10,000 and \$20,000 instead of \$1,000. Today the live insurance agent is taking advantage of social security to show workers how they can add insurance to give them a real retirement fund."

Bert Odell, vice-president North American Life & Casualty, also spoke.

Stade Underwriting Chairman

Paul W. Stade, Lumbermen's Mutual Casualty, heads the underwriting committee of the Chicago Accident & Health Association, just named by President Clay F. Lundquist, Fred S. James & Co., to have charge of the series of evening round table sessions for home office and branch office underwriters. These sessions, inaugurated last year, proved very popular and will be continued this season.

C. of C. President Speaks

SALT LAKE CITY—At the November meeting of the Salt Lake Accident & Health Club, sponsored by the California-Western States Life, Earl J. Glade, president Salt Lake chamber of commerce, spoke of the government's defense plan and told the part insurance men play in every emergency. As a social activity the club is considering forming bowling teams among its members.

Deputy Insurance Commissioner C. N. Ottosen was made an honorary member of the club.

Travelers in Line on Age Limit

In line with action taken by other companies, Travelers will now issue reimbursement contracts on children of school age, bringing the age limit down to approximately 5 or 6, with limits of \$5,000 dismemberment and \$1,000 medical reimbursement. Manual classifications will apply, class A for females and class B for males.

Radio Contract Cancelled

Following a protest by Commissioner Caminetti of California, radio station XELO of Tijuana, Mexico, has notified him that it has cancelled the advertising contract of Sterling of Chicago "until the company qualifies" to enter California. The commissioner complained that the advertising was directed to residents of California.

John Ford Touring Southwest

John Ford, chief underwriter of the accident and health department of Pacific Mutual Life, is holding a series of conferences with general agents in the south and southwest. He visited the D. J. Farrell agency, San Antonio, this week.

Fankhouser Milwaukee Speaker

MILWAUKEE—A. G. Fankhouser, chief adjuster Continental Casualty, spoke on "Relation Between Field Men and the Claim Department" at the monthly luncheon meeting of the Accident & Health Underwriters of Milwaukee. He was introduced by John D. Rogers, resident vice-president of the company here.

Fred Velasco, Sr., supervising agent of Washington National's railroad division, with headquarters in El Paso, Tex., has been awarded a 30-year gold service badge by President George R. Kendall.

Mutual Benefit Health & Accident expects to hit the \$22,000,000 mark in premium income this year.

A. & C. Gets Wisconsin Line

Upon its bid of \$1,670, Accident & Casualty has been awarded the automobile insurance for the Wisconsin state fleet through the Midwest agency of Madison. Most of the other bids were \$1,848. This insurance does not apply to vehicles of the conservation department and University of Wisconsin. The business of those units is handled separately.

SURETY

Mutiple Claims Are Allowed in Washington Case

SEATTLE—The writing of statutory real estate brokers' bonds in Washington is seriously curtailed as the result of a state supreme court decision (Paulsell vs. Peters, et al), in which the Metropolitan Casualty was held liable for multiple claims under a \$1,000 bond. Despite the fact that the legislature was said to have attempted to avoid multiple liability under the bond, the Washington high court said that several claims could be successfully made against a single bond.

Several companies have discontinued writing the bonds altogether. One company is known to have cancelled all existing liability, although there are a number that have instructed their Washington state representatives to ride along on bonds already on their books until the law can be clarified at the 1943 session of the legislature.

The Washington supreme court declined to reconsider its decision after a petition was filed. The new bond law, which was enacted by the 1941 legislature, stated in part that: "The total liability hereunder for all causes of action arising during the period which this bond is written shall not exceed the total sum of \$1,000."

Schwobeda Los Angeles President

LOS ANGELES—At the annual meeting of the Surety Underwriters Association of Southern California these officers were chosen: President, L. H. Schwobeda, Fireman's Fund Indemnity; vice-president, R. S. Possinger, Aetna Casualty; secretary-treasurer, N. C. Andrews, Maryland Casualty. W. C. Fundenburg, retiring president, reviewed the activities of the association during the year. The secretary-treasurer's report showed 31 companies represented in the association.

Omaha County Treasurer Indicted

OMAHA, NEB.—County Treasurer Otto Bauman and his deputy, Fred Armbrust, have been indicted by a grand jury on charges of malfeasance. The indictment charges they have been investing their private funds in county warrants at a time when there was sufficient cash on hand to pay the warrants. The grand jury recommended that civil actions be instituted against them and their bondsmen.

Suit to recover on bonds of three

New President of Chicago Surety Group

Edmond Madden, who was elected president of the Surety Association of



Edmond Madden

Chicago at the annual dinner meeting the other day, is manager of the bond department of Maryland Casualty in that city and his entire business experience has been with Maryland. He started with that company in 1925 after graduating from the University of Michigan. Three years later he was made assistant manager of the surety department and in 1933 became manager when John P. Keever was appointed as head of the Maryland branch in Chicago. Mr. Madden is one of the best known and best liked men in the surety business in that city.



Wyckoff Wilson

Wyckoff Wilson, who has been appointed secretary of the accident department of Travelers, has been with that company since 1899 when he graduated from Yale. He has been continuously connected with the accident department except for a year and a half in the actuarial division. In 1906 he became an underwriter and in 1918 became assistant secretary. In his new post he succeeds the late John E. Ahern as secretary.

former deputy county clerks has been filed by County Attorney English against United States Fidelity & Guaranty. The suit alleges the former deputies Harry Boatman, H. S. Ploss and J. F. Dugdale embezzled \$9,282 during a five-year period starting in 1935.

Title Companies Can't Write Performance Bonds in Pa.

HARRISBURG, PA.—Pointing out that casualty companies are given the right under Pennsylvania law to write performance bonds, Attorney-General Reno has held that title insurance companies or banks acting in that capacity may not issue "completion bonds."

The matter was brought before Reno by John C. Bell, Jr., state banking secretary, on the practice of banks issuing bonds to owners of land who have contracted for improvements, the obligation being to complete or to pay for completion of the work in the event of insolvency on the part of the contractor.

Mr. Reno stated that "it is clear that the purpose of a title insurance company is to insure the owner of real estate, or a mortgagee, or others interested in real estate, from loss by reason of defective titles, liens and encumbrances. . . . The fact that a structure is or is not complete does not affect the title."

Paschen Has Low Bid

Paschen Contractors, Inc., of Chicago with a figure of \$2,091,000, was low bidder for construction of the superstructure of the low lift pumping station, filter bldg., and administration bldg. of the south district filtration plant in Chicago. There was no bid bond and the final bond has not yet been arranged.

AGE Bond Claim Compromised

The report of trustees of Associated Gas & Electric Corporation, debtor, to the federal court of the southern district of New York discloses that claims

against National Surety, which carried fidelity coverage for the Associated Gas & Electric System companies, were compromised with the approval of the court, for the sum of \$175,000. The money is held in a special account by the trustee of Associated Gas & Electric Company for the benefit of Associated Gas & Electric Co., Associated Gas & Electric Corporation and their subsidiaries, as the court may find equitable.

Standard Accident Originates

Standard Accident is the originating company on the bond of the S. N. Neilson Company of Chicago, which was awarded the contract for construction of the Frances Cabrini Homes, low cost housing project in Chicago. This project has received a defense rating with an A-7 priority. The contract price is \$2,719,000.

ASSOCIATIONS

Conclude Atlanta Claim Course

ATLANTA—The final lecture in the course presented by the Atlanta Association of Claim Men was given by Stuart Haw, Aetna Casualty's southern department, who talked on adjustment and settlement of claims in general.

The monthly meeting was held Nov. 26. Lon Sullivan, executive secretary Atlanta Association of Insurance Agents, talked.

Claim Men Hear Okla. Law Dean

Dean Hervey of the University of Oklahoma Law School, Norman, Okla., spoke at the monthly meeting of the Oklahoma Claim Men's Association in Oklahoma City.

Fidelity Quiz in Kansas City

KANSAS CITY—W. R. Evans, manager American Surety, and Eugene

Eisenman of Thos. McGee & Sons, local agents, will exchange questions and answers on fidelity bonding at the monthly meeting of the Casualty & Surety Underwriters Association of Kansas City Nov. 28.

Talk on Defense Problems

Josef Diamond of the law firm of Caldwell, Lycette & Diamond addressed the Casualty Adjusters Association of Seattle on casualty insurance and loss problems arising in army camps and defense zones.

F. B. I. Man in Des Moines

DES MOINES—Ralph Harman of the F. B. I. addressed the Des Moines Casualty Surety Club, telling of the work of the federal agents in connection with the national defense program.

Treadwell Talks on Aviation

LOS ANGELES—Frank C. Treadwell, Los Angeles manager United States Aviation Underwriters, addressed the Casualty & Surety Fieldmen's Association of the Pacific Southwest on the interesting phases of aviation insurance.

PERSONALS

H. L. Dalton of the National Surety branch in Chicago has returned from a motor trip to New Orleans and the Gulf coast.

H. P. Skoglund, president, and Bert Odell, vice-president North American Life & Casualty, showed their prowess as hunters by bringing home 100 pheasants, 51 ducks, two geese and two jackrabbits on their return from a hunting expedition in South Dakota.

L. P. Richey, Ohio state agent of the Indemnity of North America, is recov-

ering at his home in Columbus from a broken ankle. While ill he contracted an infection in the other ankle which added to his discomfort. He was in a hospital for about two weeks.

Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, Chicago, this week underwent an appendectomy. He hadn't been feeling well so he consulted his doctor and after a consultation with several specialists an operation was recommended. He is at the Westlake Hospital in Maywood.

Roy Tuchbreiter, vice-president of Continental Casualty, Chicago, has drawn Oregon automobile license No. 1 for 1942. The vehicle to bear the coveted number will be used on a pick-up truck used on a 1,000-acre farm which Mr. Tuchbreiter owns in the hills near Mapleton, Ore.

DEATHS

John A. Gunn, 80, chairman of the board of Employers Mutual Casualty of Des Moines, died there following a year's illness. He was born in Canada and moved to the United States when he was 8 years old. He was one of the founders of Employers Mutual in 1911 and served as president until his retirement last December when his son, John W. Gunn, took over the reins.

L. S. Osmun, 55, who retired two years ago as superintendent of automobile and liability claims at the head office of General Accident, died at Cooper Hospital, Camden, N. J., after an illness of several years. He had been with General Accident 27 years and had served as claims superintendent 20 years. He served at one time on the board of education of Collingswood, Pa.

Direct Reading Rate Finder & Cancelator for calculating earned and return insurance premiums \$2. Order from National Underwriter.



GENERAL REINSURANCE CORPORATION

90 JOHN STREET, NEW YORK • 200 BUSH STREET, SAN FRANCISCO

Items from Financial Statement of June 30, 1941:

CAPITAL	\$1,000,000.00
SURPLUS	6,000,000.00
VOLUNTARY RESERVE	310,851.33
LOSS RESERVE	6,975,456.19
PREMIUM RESERVE	2,472,354.59
ALL OTHER LIABILITIES	857,843.99

TOTAL ADMITTED ASSETS . . \$17,616,506.10

Securities carried at \$1,291,143.16 are deposited in accordance with law.

Casualty, Fidelity and Surety

Industry Warned on Defense Speed-Up

(CONTINUED FROM PAGE 19)

duction is just as much a matter of industrial hygiene as is the provision of properly tempered tools, he pointed out.

There was much interest in the subject of silicosis, particularly since the two Canadian doctors who developed the aluminum dust prevention and remedy system were on hand. Dr. J. L. Blaisdell of Queen Alexandra Sanitarium, Ontario, described the process at considerable length. His colleague, Dr. D. W. Crombie of the same institution, did not speak.

Needs Further Research

When Dr. Blaisdell got through with his presentation, which he illustrated with slides, the feeling was that while the method may hold possibilities, considerably more work needs to be done to establish its value. Consideration was given to taking over the licensing of the aluminum dust process in the United States by the Industrial Hygiene Foundation but the foundation did not see fit to do so at this time, feeling that further experimental work would be necessary. Such work is being done not only in Canada but will be carried on in this country by Saranac Laboratories under the direction of Dr. L. U. Gardner.

The aluminum dust process, about which there has been considerable publicity is used as both a preventive and a cure for silicosis. It consists of distributing in the atmosphere metallic aluminum dust of a certain concentration and fineness, the dust being produced by special grinding machines. As a remedy for silicosis the process appears to be effective as long as treatments are kept up but the patient tends to relapse into his former state as soon as the treatments are discontinued for any length of time.

BETTER PREVENTIVE

On the other hand the aluminum dust appears to be effective when used as a preventive in connection with operations involving silica dust but from the evidence presented by Dr. Blaisdell it was not conclusive that the absence of silicosis was due to the aluminum dust or to other factors.

Since the natural reaction of hygiene experts is to question the wisdom of fighting harmful dust with another dust, even though presumably beneficial, the consensus of those at the meeting seemed to be in favor of relying on the wider use of efficient exhaust equipment. In practically every operation involving the silica hazard the concentration of dust can be kept below dangerous concentrations by the use of exhaust equipment.

In his paper on tuberculosis in industry Dr. Gardner pointed out that even in such industries as foundries, granite-cutting and hard-rock mining the possibilities of control are indicated by the low incidence of tuberculosis, which is the dreaded aftermath of silicosis, where medical programs have been in operation over a sufficient time. Dr. Gardner also said that there has been a greater decrease in the tuberculosis mortality among industrial groups than in the population at large and that a low standard of living rather than working conditions appears to be responsible for most of the tuberculosis among wage earners. He said that of the respiratory irritants, including fumes and gases as well as dusts, only free silica has a specific influence in causing persons to be more susceptible to tuberculosis.

Seek Better Exhaust Designs

In their report on an evaluation of present exhaust ventilation for the control of industrial health hazards, Theodore Hatch and Robert H. Walpole, Jr., of the University of Pennsylvania's

department of public health and preventive medicine, said that their study, which is supported by the foundation, brought out the two important situations with respect to the design of exhaust systems: First, the design is almost entirely the result of trial and error rather than of a scientific approach, which would be to study the forces causing the dispersion of dusts and the design of exhaust hoods that would control them; and second, there has been no extensive checkup on the degree of control which these systems produce.

There is need for an investigation which will collect and tabulate design data, use of which will provide for more exact control of dusts, fumes, vapors and gases, the report stated. They expressed the hope that one result of the investigation would be that manufacturers of equipment producing these contaminants will be able to study the characteristics of their own machines and develop standards of ventilation. This would help to remove the present difficulties which are met in applying ventilation to machines and processes as an afterthought.

Aetna Health Service in Hartford Improves Risks

It is important to discover health defects and proper corrective measures early, the Aetna Life companies report on the basis of studies made by the Aetna's physical fitness department. This department has been operated since 1935 for the benefit of policyholders residing in and near Hartford. It originally was created in 1932 as a service for executives and employees of the company, and was expanded to include policyholders because of favorable results obtained in helping to inspire better health habits among company personnel.

There were 1,970 policyholders in the Hartford area invited to avail themselves of the service, approximately 350 accepted and have made 1,431 visits to the department during the period January, 1935—June, 1940.

Overweight Most Common Defect

A uniform periodic examination and check-up of daily health habits is given, and a program of activities suggested to correct or eliminate health defects. Overweight was found the most common defect, with a total of 189 cases reported out of the 350. Hypertension, hernia, nasal disorders and defective teeth also were found common.

Faulty health habits found included lack of regular rest periods, fast eating, insufficient exercise and sunlight, habitual overeating or under-eating, and overdoing at work or play. Improvement in physical conditions has followed correction of the defects. Of the 189 overweights, 83 reduced their combined weight an average of 7.2 pounds per person. Hypertension also was reduced.

The death rate for the 5½-year period ended in 1940 among the 350 persons was 44 percent lower than that among 1,620 persons who did not; weight reduction among overweight cases was maintained; blood pressure of hypertension cases was reduced and kept at a lower figure; many examinations showed clinical evidence of improvement in health; certain substandard cases, from the viewpoint of life underwriters, were considerably better risks at the end of the period than at the beginning.

Correction on Defense Record

There was an unfortunate typographical error in the story in THE NATIONAL UNDERWRITER last week on the great safety record made by Royal Indemnity and Stone & Webster Engineering Corporation in the construction of the giant Kankakee Ordnance plant near Wilmington, Ill. Through the transposition of a decimal point, the accident severity ratio was given as 6.76, which must have caused safety engineers to chuckle. The correct ratio was .676.

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N. Y. Board of Trade Hears Mealey and Poletti

NEW YORK—Six hundred business men of New York City heard Lieutenant Governor Poletti and Commissioner of Motor Vehicles Mealey appeal to the automobile drivers and owners to support the new motor vehicle responsibility law, which becomes effective Jan. 1. They were guest speakers at the annual luncheon of the insurance section of the New York Board of Trade. The lieutenant governor explained the broad social problems which led to the adoption of the law at the last session of the legislature and Commissioner Mealey described the primary principles and provisions of the statute.

Mr. Mealey said there are four situations or circumstances that will bring the owners or drivers of a car under the provisions of the new law, as follows: If they are involved in an accident resulting in any personal injury or property damage in excess of \$25; if they fail to satisfy within 15 days an accident judgment for any personal injury, or property damage in excess of \$25; if a driver's license has been suspended or revoked upon conviction of certain serious traffic offenses, such as reckless or drunken driving or leaving the scene of an accident, or if their driving performance, as shown on the records of the bureau of motor vehicles, becomes, in the opinion of the commissioner, a bad or dangerous one.

Agent's Authority and Ownership of Property

A question involving authority of the agent was involved in the case of Delaney vs. L. & L. & G. where the Mississippi supreme court affirms the court below in favor of the plaintiff. Agent R. P. Stewart wrote the policy for L. W. Delaney, plaintiff's husband. He claims to have told the agent about an existing policy and answered such questions as he propounded. The agent recalled the conversation but did not remember being told of the existing policy. The written memorandum made by him when the policy was applied for did not disclose any other insurance. The policy was sent by mail to the wife. Neither she or her husband read it until fire destroyed the house. The house and land formerly owned by Mr. Delaney was conveyed to Rodriguez who executed purchase notes secured by deed of trust to Delaney. Delaney pledged these notes to a bank and while so pledged agreed with Rodriguez that he might pay off the notes by bequeathing the land to Mrs. Delaney. The notes were surrendered some time after the policy was issued.

The reservation made by Delaney in the deed to Rodriguez of one-half interest in the oil, gas and minerals in the land is held to be valid. It did not deprive the owner from having the sole and unconditional ownership. The court decided that the agent had been told of the other policy and hence the other insurance provision was waived. The fact that the agent was not told about the reservation in the deed did not amount to a concealment, the court declared, since there was no written application and the assured answered all questions put to him when the oral application was made. Judgment for the assured was affirmed.

O. K. Hill Plan in Pa. and Del.

NEW YORK—Delaware and Pennsylvania are the most recent states to give sanction to use of the war department's compensation rating plan. In advising of its approval the Industrial Accident Board of Delaware states the covering contracts must contain the standard workmen's compensation rating endorsement of the state, be written for one year and be subject to the renewal agreement provided for in Delaware compensation policies. Commissioner Taggart of Pennsylvania makes clear that all policies issued in that

state must use the special Pennsylvania endorsement.

Guest Speakers in San Diego

SAN DIEGO, CAL.—W. J. McKinnon, Great American Indemnity, and James McWilliams, Fidelity & Casualty, both of Los Angeles, spoke before the San Diego Insurance Exchange on "Liability." The addresses were sponsored by the Casualty & Surety Fieldmen's Association of the Pacific Southwest.

F. F. Doyle is now in charge of the compensation, liability, accident and health and burglary departments in the U. S. F. G. branch office at Kansas City. He will work under M. J. Welhoelter, supervisor of all casualty for the office.

J. H. Coburn, whose retirement as vice-president of Travelers Indemnity after 37 years with the organization, was announced, long served upon the rating committee of the boiler and machinery division of the National Bureau of Casualty & Surety Underwriters, always contributing enlightening data at its sessions.

Question of Subcontractors Liability Came Before the New York Courts

The New York supreme court, appellate division, 1st department, affirmed the lower court in Pink vs. Kraus & Silverman. Supt. Pink of New York was the conservator of the assets of an insurance company which paid a judgment recovered against its assured, a general contractor, by the representatives of a laborer who was killed when he fell down an elevator shaft around which the barriers which the defendant had erected had been removed. Plaintiff's right is based on subrogation. On the trial against the general contractor, liability was based on the failure of the contractor to observe the statutory duty to maintain barriers around the shaft and the absence of contributory negligence on the part of the deceased.

The question whether the general contractor was under a duty to plank over the opening was not raised on that trial. Since it was necessary to remove these barriers to do other work, the question as to whether the parties intended that the defendant should replace same in the event that they were removed was

before the court on appeal but plaintiff introduced no evidence to show such intent and judgment was entered for defendant by affirming the judgment entered on a directed verdict by trial court.

At the close of the whole case on this trial both sides moved for direction of a verdict, plaintiff reserving the right to go to the jury only "on any condition of the fact which the court holds is presented by the evidence." Plaintiff expressly concedes that Kraus & Silverman, the carpenter sub-contractor, had no obligation to plank over the shaft. It is established without contradiction in this record that the carpenter performed its contract in erecting the barriers, and that at the time of the accident, it was impossible for the carpenter to maintain the barriers while doing stripping work.

In that state of facts, if the jury found a verdict for plaintiff, it would have to be set aside as against the weight of the evidence. Under civil practice act section 457-a, the judge may direct a verdict when he would set aside a contrary verdict as against the weight of the evidence. Plaintiff had the burden of proof and full opportunity to adduce evidence to show it was the intention of the parties that Kraus & Silverman was at all times continuously obliged to keep the barriers erected.

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CHANGES IN CASUALTY FIELD

Seaborn Named Underwriter of Central Surety, Chicago

Walker B. Seaborn has been appointed an underwriter in the Chicago office of Central Surety, associated with Manager W. A. Anderson.

Mr. Seaborn previously for 1½ years had experience in the office as special agent in Chicago and suburban territory and in September, 1939, was assigned to the home office agency department, a post which he retained until early this year. Prior to going with Central Surety, Mr. Seaborn was a special agent of the National Surety and later of Indemnity of North America in Chicago. He succeeds Stanley O. Princell, automobile underwriter who resigned to go with the automobile underwriting department in the head office of Transportation, Chicago.

Manager Anderson is increasing the size of the office to be used for the claim department.

Silver Elected President of Lumber Mutual Casualty

Thomas H. Silver, general manager and secretary Lumber Mutual Casualty of New York, has been elected president. He has been with the company since its inception in 1914. He succeeds Horace F. Taylor, president for the last seven years, who is retiring to devote more time to his other interests.

D. Theodore Kelly, a director, was elected secretary to succeed Mr. Silver in that post.

Cleaver Returns from Army

Wendell Cleaver, who has been in army service attached to an anti-aircraft unit in the Carolinas, has been released from the service because he is over 28 years of age. He has returned to his position in the Peoria, Ill., claims division of Ocean Accident which he occupied for several years prior to entering the army. A. L. Sand, who was employed to take Mr. Cleaver's place in Peoria, has now been transferred to the claim department in the Chicago office of Ocean.

Sutton with Mass. Bonding

Robert H. Sutton has been named special agent for Massachusetts Bonding in Chicago and Cook county and downstate in Illinois. Mr. Sutton has been in insurance 20 years. The past year he has been in eastern Iowa for Freeport Motor Casualty and prior to that was special agent for Manufacturers Casualty in Chicago. For 10 years he operated his own agency in Omaha. His experience includes a period as special agent for the Walsh Brothers Co. general agency, Omaha, on fire and casualty lines.

Kelley to Morrison & Co.

A. O. Kelley, casualty underwriter in Des Moines for United States Fidelity & Guaranty, has resigned and moved to Iowa City with S. T. Morrison & Co.

New American Surety Director

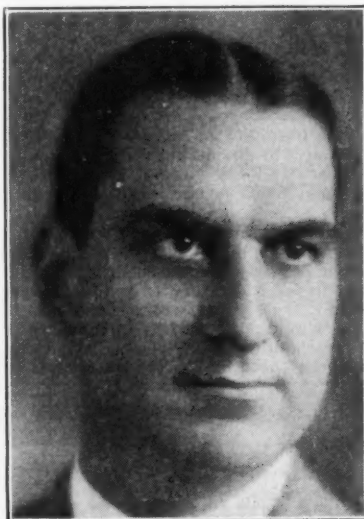
NEW YORK—W. E. Hall of the legal firm of Hall, Cunningham & Haywood of this city has been elected a director of American Surety.

The Iowa branch office of United States Fidelity & Guaranty and Fidelity & Guaranty Fire has moved into new ground floor quarters at Eighth and Locust streets, Des Moines. It had been in the Equitable building 17 years.

Compulsory automobile insurance was discussed at a round table session of the Alhambra, Calif., chamber of commerce. Edward Williams, Aetna Casualty, Los Angeles, presented the insurance companies' adverse attitude to the plan.

Chicago Surety Man Enters Production Ranks

R. E. Hall, prominent insurance man of Chicago, has resigned as special agent for National Surety to enter the business on his own account. He will be located in the Insurance Exchange



R. E. HALL

building, operating as an independent broker for all lines. Mr. Hall has been with National Surety about three years and prior to that for 13 years was surety manager in Chicago of Ocean Accident. He is a past president of the Surety Association of Chicago and he has a wide acquaintance in the business.

COMPENSATION

Compensation Trends in Minn.

MINNEAPOLIS—Compensation insurance trends and statistics on accidents in Minnesota since 1920 were discussed by Eugene Dahl, chief of the accident prevention division, Minnesota department of labor and industry, in a talk before the Insurance Buyers Association of Minnesota.

Ruling on Pa. O. D. Payments

HARRISBURG, PA.—Occupational disease compensation payments made in Pennsylvania are subject to interest at 6 percent, for both the employer and the state, Attorney-general Reno has ruled.

The matter was brought up by L. G. Hines, secretary of labor and industry, under whose department the O. D. fund is administered.

Launch Minn. O. D. Study

ST. PAUL—Senator Milton Lightner of St. Paul, chairman of the interim committee of the Minnesota legislature to study occupational diseases, has

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called a meeting of the committee for Dec. 6. This will be largely an organizational meeting at which state officials will be invited to sit in. Reports on how other states schedule occupational diseases are being gathered by the committee. The report which the committee makes will be the basis for any changes the 1943 legislature may make in the Minnesota law.

COMPANIES

National Casualty Capital \$1,000,000; Stock Dividend

National Casualty has declared a 33½ percent stock dividend payable to stockholders of record as of the close of business Nov. 29. This action, which will increase the capital of the company from \$750,000 to \$1,000,000, was taken pursuant to the authorization granted by the stockholders at their annual meeting Sept. 16.

At the same time the board declared the regular quarterly cash dividend of 25 cents per share payable Dec. 15 to stockholders of record as of Nov. 29. The stock represented by the stock dividend will not participate in this cash dividend. Based upon a continuation of present operating results it is anticipated that the regular quarterly cash dividend rate of 25 cents per share will be retained following the issuance of the additional stock.

Anchor's 15th Anniversary

ST. PAUL—Anchor Casualty Co. of St. Paul marked its 15th anniversary Nov. 26. Organized originally to write compensation coverage for Minnesota employers, it has added automobile and other casualty lines including accident and health, and now operates in several states.

Warns Against Socialized Health Plan Proponents

(CONTINUED FROM PAGE 17)

ical examiner who said that not over 10 percent of those rejected have physical defects subject to medical correction.

In considering the facilities which are available to the people today for providing against loss due to disability and for preparing medical and hospital service, the compulsory insurance advocate seeks to dismiss the private insurance companies, the voluntary associations and groups as inadequate, ineffectual and too limited. Mr. Faulkner said he does not believe that the 20,000,000 Americans who are protected by the institution of disability insurance would concur in such an arbitrary dismissal of the security which accident and health insurance provides. "It is a time-tested security which they have helped create which they have tried and found adequate. Certainly it is not a protection to be lightly traded for the chimerical benefits of a government medical monopoly. Accident and health insurance which today has more than \$250,000,000

premium income is marching forward. Its amazing record of a 75 percent increase in insurance in force since 1934 knows no parallel in modern business annals. Private disability insurance is very much alive to its responsibility to an ever expanding segment of our population."

Inferior Service Results

Compulsory sickness insurance results in inferior medical service which is deleterious to national health and impairs the vigor and usefulness of the medical profession, Mr. Faulkner declared. In Germany and Great Britain the average duration of incapacity per illness has increased under socialized plans.

"We oppose compulsory health insurance because we believe it is an economic nostrum—an ill conceived attempt to cure an economic problem by revolutionizing the practice of medicine. The real evil at which proponents of social insurance are striking, consciously or otherwise, is not essentially loss due to disability or inequities, actual or fancied, in health service, but rather the ever present problem of poverty."

Cost Would Be Staggering

The cost of compulsory health insurance staggers the imagination. Under such a system the government would take over an industry on which today, without political extravagance \$3,500,000,000 is spent annually. The astronomical sums which would be required for the maintenance of any such program are but part of the cost. The proponents of these schemes assert that from 75 to 90 percent of the people lack the resources to provide adequate medical service for themselves, by periodic payments or otherwise. The service, therefore, is to be provided for them by the other 10 to 25 percent, lessening by that much the power which the minority has to create business and jobs, according to the general rule that expansion of government taxing and spending necessitates contraction of private enterprise.

Hazard Is Controllable

In answer to the argument that the country has unemployment insurance and old age benefits and ought to have compulsory health insurance, Mr. Faulkner said the careful student knows the difference between paying a strictly cash benefit as in the case of existing social insurances and providing actual service. Unlike all other social insurances, in compulsory sickness insurance the event insured against, to a large degree, is within control of the insured person and may actually be a result which he will welcome rather than universally resent and seek to avoid. Add to these difficulties the fact that the premium calculation is not susceptible to any usual actuarial formulae and "you understand some of the inherent insurance weaknesses of a compulsory sickness insurance system."

No Need for Change

"Those who oppose compulsory health insurance do so because there is no need for revolutionary changes in our health service, because compulsory health insurance as demonstrated by the experience in other lands exerts a malignant effect upon the medical profession, resulting in inferior service and in impairing national health while corrupting national morals; and finally because

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compulsory health insurance is a thinly disguised and ill conceived attempt to further socialize American business and the professions."

In view of the seriousness of the situation, Mr. Faulkner urged opponents of socialized medicine to speak out and "arouse and enlighten opposition to a proposal which would substitute politically dominated therapy for the intimate individual relationship of physician and patient and would seek to replace the security of private insurance with the glittering promises of paternalistic totalitarianism."

Best Scans Half Century in Address in Cleveland

(CONTINUED FROM PAGE 5)

ago. He recalled some of the problems of the insurance companies during the last war. He said this country had to rely heavily on foreign marine insurance, especially the British market. Many companies for the first time undertook the writing of marine and war risk business and men who knew the ocean marine business were in great demand. Youngsters suddenly blossomed out as marine underwriters and many companies lost a lot of money.

Ocean Marine and War Risk

The earned premiums on ocean marine and war risk insurance for the period from Aug. 1, 1914, when the European war broke out to July 2, 1921, which was officially the end of the war so far as the United States was concerned amounted to \$47,000,000. Incurred losses and incurred expenses were within 1/100 of 1 percent of that amount. However, the sums collected by these companies through the Mixed Claims Commission awards made the business as a whole during the war period very profitable to the companies that had the benefit of experienced underwriting.

Today there is in existence the American Cargo War Risk Reinsurance Exchange with an underwriting capacity large enough to absorb almost any risk offered and the merchant marine act was amended in 1940 authorizing the maritime commission to provide insurance and reinsurance if unobtainable "on reasonable terms and conditions."

Reinsurance Business Declines

Twenty-five years ago the fire reinsurance business reached its peak in this country. The premium volume was about \$50,000,000 a year or about 10 percent of the total volume of all stock companies. From that time reinsurance steadily declined. Today in Europe the reinsurance market is disorganized but the London market is still functioning well.

The big growth of casualty-surety premium volume began 25 years ago. In 15 years the casualty-surety premium volume increased more than eight times the 1915 volume. He said that 1941 will exceed the previous all time high of 1929 and the companies are in the strongest financial position they have ever attained.

The factors that are unfavorable to continuation of a desirable condition in the insurance field are all outside of the business; there is none within the business which need cause any concern to policyholders, he declared. Mr. Best closed with a denunciation of the rising tide of taxation and suggested that if the trend is not stopped, there may eventually be a race of impoverished, disillusioned and embittered people and a bankrupt and helpless government.

Mr. Best said he is pessimistic as respects the immediate future, but he is optimistic in his longer range viewpoint. The remedy, he said, will come at the polls and he called attention to the fact that there is a congressional election next fall.

The meeting was one of the most important of the year and members of all local insurance associations were invited to attend. Those at the speakers' table were George Geuder, vice-president of the Insurance Board of Cleveland; Harry Hoard, vice-president Insurance

Federation of Ohio; D. B. Edwards, superintendent Ohio Audit Bureau; Brice Ketchum, vice-president Casualty Insurance Board of Cleveland; Frank Weber, president Cleveland Field Club; George Winter, public relations counsel Insurance Board of Cleveland; Payson H. Ryan, vice-president Alfred M. Best Co.; Clarence Pejeau, president Cleveland Life Underwriters Association; Hugh Wells, secretary Cleveland Association of Credit Men; Charles Stewart, president Cleveland Accident & Health Association; John Parks, president, Cleveland Association of Casualty Managers; Harry Frank, president Cleveland Surety Underwriters Association; O. F. Gibbs, member of the executive committee Ohio Fire Underwriters Association; and J. Monroe Shaw, Cleveland manager Ohio Inspection Bureau. E. B. Berkeley, president of the Insurance Board, presided.

Guest Laws Get Gradual Testing

(CONTINUED FROM PAGE 19)

death is involved. In case of death, ordinary negligence is enough. In Pennsylvania and New York something more than ordinary negligence must be shown.

Wording Has Some Effect

There is not much difference, claim men say, in the effect of different wording in guest laws. If the definition is "gross negligence" it is perhaps somewhat easier for the plaintiff to get a verdict than if the definition includes the terms "willful and wanton negligence," as in the case of the Illinois statute. Also where "intoxication" is a part of the definition of negligence then in negligence cases involving intoxication the plaintiff has a much better case and the insurance company a poorer one. In some states the guest statute is modified by other statutes. For instance, in Florida, where the courts are hewing to the line on the willful negligence factor, the car is defined as a "dangerous instrumentality," which modifies the effect of the guest law to a certain extent.

Defense May Improve Juries

There is, of course, at present a higher frequency of accidents with the same coverage. This is developing as a result of the defense program and the increased number and movement of automobiles. However, it is also a logical development of the general use of liquor; the lower age of drivers, particularly 16 to 25, and increased speed.

An interesting view is that the present defense situation may actually help the jury situation, which is often a factor in the loss of cases by insurers. There is less likelihood of the court permitting business men, to whom absence from the job will not ordinarily mean an individual monetary loss, to escape jury service, and not excusing the worker who is making good hourly or daily wages, especially since many workers are engaged on defense projects.

How Guest Laws Arose

The guest laws arose largely from the pressure from insurance companies faced with a type of situation containing opportunity for fraudulent and collusive claims between host and guest and between relatives in automobile accidents. Naturally a host is anxious that the insurance company reimburse the guest for any injuries. But even the courts have recognized that it is an ungracious thing for a guest to sue the host except when the latter is grossly negligent.

Twenty-six states have guest laws: Alabama, Arkansas, California, Colorado, Delaware, Florida, Idaho, Illinois, Iowa, Kansas, Michigan, Montana, Nebraska, Nevada, New Mexico, North Dakota, Ohio, Oregon, South Carolina, South Dakota, Texas, Utah, Vermont, Virginia, Washington and Wyoming.

Says Eye Injuries Are Preventable

Ninety-eight percent of the eye injuries which occur in American industries at a rate of 1,000 a day and represent an annual loss of \$200,000,000 are wholly unnecessary, according to a study sponsored by the National Society for the Prevention of Blindness and issued by the Columbia University Press.

"At the end of an eight-hour working day, today and every other work day, a thousand men and women in American factories, mills, mines, utilities, and other places of work will have suffered eye injuries," the study, prepared by the late Louis Resnick, staff member of the Society for twenty years, says.

Mr. Resnick's report, which was completed just three days before his death in March, 1941, is based upon two decades of personal observation in workshops throughout the country. It contains a complete summary of eye hazards existing in American industry today.

Hardware Mutual Casualty has opened a new branch at Worcester, Mass., in

the Park building. The new office will also service the affiliated fire companies.

Celebrate 40th Anniversary

DES MOINES—The 40th anniversary of Home Mutual of Iowa was observed here with 500 agents from Iowa, Kansas, Nebraska and Colorado attending a one-day meeting which honored H. L. Rowe, president and one of the founders.

George L. Rowe, head of the Nebraska claim department, stated that if present increase in the automobile death rate continues, the total for 1941 will go over the 40,000 mark, an all-time high.

Automobile deaths are increasing faster in proportion than the total of automobile mileage driven. The situation may necessitate a rate increase.

John D. Denison, Des Moines, talked on "Our Democracy" at the luncheon. At a production meeting L. G. Thomas presided. Maynard V. Mills discussed "Production and Sales" and George W. Cain "Why an Inspector is Criticized."

James E. Gheen, New York City, spoke at the banquet. Guests included Commissioner Fischer of Iowa and Insurance Director Fraizer of Nebraska.

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OBSERVATIONS

Sportsmanship Shown

One of the gratifying instances of true sportsmanship in the insurance business is seen in the attitude of officials and field men of American companies during this trying period when Great Britain is fighting for its existence. The English companies are well fortified financially on this side. Their funds over here practically constitute an independent insurance company. There has been no disposition on the part of those connected with American companies to reflect in any way on foreign companies. In fact, whenever the question has come up the foreign companies have been defended at all times. This has done much to bring about a greater unity in business and a higher regard for the standards.

Company Headquarters Problem

While there is always some criticism of company headquarters at meetings of the National Association of Insurance Agents and state meetings, yet after all a great many agents find one of the biggest highlights of these conventions to be in these very company rooms where hospitality is dispensed. Usually there are three or four executives, managers and a squad of field men present. It offers the company people an opportunity to meet more agents in one city than if visits were made to them in their home towns and at a lesser cost in time and money. At the Kansas City convention of the National association the company headquarters were conducted in a very conservative way and but few objectionable features were noticed. However, there was more criticism than heretofore regarding the headquarters. The main objection from the agency standpoint seems to be the expense involved, they thinking that this leaves a bad impression on outsiders and nonstock interests.

Where a company maintains headquarters it is usual to have at least three or four executives or managers present. Undoubtedly good will is engendered and relationships are cemented. Some of the leaders at Kansas City took the position that if companies would have experts on lines with which the agents are not so familiar at these headquarters so that they could be interviewed much could be accomplished in an educational way. It is question just how far agents would visit headquarters to be educated. Their calls are largely for the purpose of being entertained. It is true that now and then there are features in connection with company entertainments that are highly objectionable. The agency associations usually request that all headquarters be closed during the hours when meetings are held. This is not always observed.

The companies might be in a receptive

mood to eliminate the driftwood hospitality feature if all would agree. In these days hospitality seems to be linked up with a Scotch and soda. There has been considerable criticism of noise at night where conventioners and especially those not associated with the convention are disturbed during their regular sleeping hours. It is a problem to be sure. Company officials in this way express their good will for their own agents and others. Someone at Kansas City suggested that the companies join and arrange for a bangup party late in the afternoon and early evening during the time when no meeting is scheduled.

New Twist to an Old Racket

So many insurance executives have caught on to the racket of photographers who pretend to have been sent by trade journals but in reality are only trying to sell pictures that one enterprising operator in this field has worked out a new twist. A week or so after the victim has definitely refused to buy, a glamorous feminine voice telephones to say that the studio has made a colored miniature from the best print. The studio entered this in an exhibition and the picture won an award. Instead of the usual \$30 price he can have this lovely miniature for only \$15. The prospect can save himself time and breath by quickly dropping the receiver on the hook.

Incidentally, unless you want to be subjected to a high pressure campaign to buy some pretty mediocre pictures it is a good idea to check with the paper which the photographer claims to be representing. Editors are not in the habit of sending studios on these assignments without first consulting the man whose picture is to be made.

Demanded a Refund

The federal government certainly has a rigid policy in regard to agency compensation. An agency not long ago received a letter from the War Department demanding a return of part of the commission. It was on a contract bond that had expired and no particular reason was given why there should be a further refund to the government.

Attended First Meeting

H. H. Cleaveland, head of the Cleaveland Insurance Agency of Rock Island, Ill., and president of the Bituminous Casualty of that city, makes the point that he was present at the initial meeting of the National Association of Insurance Agents held in Chicago in September, 1896. Unfortunately his name does not appear on the official record. A year or so before his death Stephen D. Sexton of East St. Louis, Ill., also wrote THE NATIONAL UNDERWRITER that he was present at this same meeting but his

name does not appear. There were 25 agents whose names are recorded as being officially present and their signatures are found on the register. Both Mr. Cleaveland and Mr. Sexton were prominent local agents and were leading men in the fraternity at that time. Of the original number Thomas Sekete of East St. Louis was present as was Jacob Wachenheimer of Peoria, Ill., they being the only two Illinois agents officially recorded.

Crash Deaths Increase

One thing that has the claim men of casualty companies jumping these days is the number of deaths occurring in the "serious" automobile accidents. It used to be that two or three deaths as the result of one accident was a large number, but today, with increased speed and traffic congestion, from four to six is not uncommon.

Employers of Wausau Is Challenged in Illinois

At a meeting held at Chicago on Wednesday between representatives of the Illinois insurance department and officials of Employers Mutual of Wausau, Wis., discussion was given to the companies' practices in Illinois and alleged violations of the rating rules for automobile lines. Employers Mutual will file a reply with the department in 30 days.

Harlow Acting Superintendent

No successor has yet been appointed to H. H. Rolfe, Chicago claim superintendent of Ocean Accident and Columbia Casualty, who died Oct. 20 but pending a permanent appointment, Robert E. Harlow, who was second in command, will be in charge as acting superintendent. Mr. Harlow has been in the claim department ever since he joined the Ocean in 1923.

Mutual Underwriters Ponder Current Problems

(CONTINUED FROM PAGE 10)

the statement of division of underwriting powers as between fire, casualty and marine insurance. The recent investigation of compensation insurance practices in New York which has resulted in fines and charges against a number of companies, he declared, is a parallel situation. Some months ago, he recalled the Virginia department revoked the license of a company for the way it handled the Virginia locations of certain interstate risks. If the present attention to the problem results in a greater degree of uniformity and a more standardized procedure, then it will be better for all, he said.

At present each company seems to go its own way in handling interstate risks and the supervision of the business is contradictory. For instance, stamping

offices within the same state may take a different position on the same risk. He called attention to the fact that one stamping office recently demanded that the assured clear through it all reports of values under reporting forms.

The unevenness of the rating procedure may have an important effect upon assured, he declared. For instance, an assured whose operations are confined to states that have minimum rate laws may have to pay a higher insurance premium than do risks that have at least some of their locations in open states.

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POINTERS FOR LOCAL AGENTS

Fain Presents Analysis of Boiler and Machinery Cover

Boiler and machinery coverage is "engineering insurance," Frank E. Fain, special agent Hartford Steam Boiler in Oklahoma, told those attending the Oklahoma casualty school. Such insurance is based on the principle that since most of the perils to which mechanical structures are exposed are due to their inherent faults or developed weaknesses, many losses can be avoided through timely discovery of such defects and dangerous conditions by those who know how and where to look for them. About 40 percent of premiums goes for inspection and engineering service.

While this service, an important part of the protection is not a part of the contract, it is in effect guaranteed by the policy, which indemnifies for accidents not thus prevented.

Effect of Service

The service results in fewer accidents and smaller losses, he said. The first year or so after electrical machinery coverage was introduced the accident frequency of insured's electrical machines was one in 9.5 annually. As insurance engineers gained experience and perfected the accident prevention service, the frequency gradually decreased until in 1939 it was one in 26.3.

Of the 24 U. S. companies underwriting boiler and machinery 21 use the same policy form and all conduct their business in much the same manner. A standard policy for all companies is of great advantage to assured, agents, and brokers he said. It saves comparison and represents the best judgment of the underwriters and legal departments of all the companies.

Flexible Policy

The policy is extremely flexible, he said. The hazard insured against is an "accident" to an object. Object and accident are defined in a schedule which forms a part of the policy. The form can be used as a boiler policy by attaching a boiler or pressure vessel schedule or as a machinery policy by attaching a schedule on which machinery objects are described. There are more than three dozen objects insurable under boiler policies, and more than two dozen under machinery.

The policy is written on the "multi-indemnity" form, so that in event of loss it automatically reinstates itself to the full amount of the insurance without payment of additional premium.

Because the policy provides that the accident must occur while the object is in use or connected ready for use at the location specified in the schedule it is extremely important that location of objects be frequently checked, he said.

Where several insured objects suffer individual "accidents" in a general, single occurrence the company cannot be held to pay the full limit per accident for each of the objects sustaining a loss. Property loss is limited to the actual cash value of the damaged property at time of accident, less proper depreciation.

The company retains the right to make inspections of insured objects and premises. This is a privilege, and the service is rendered by the company for its own benefit, though insured also benefits. Under this portion of the policy the company also reserves the right to suspend insurance on discovery of a dangerous condition, the only basis for immediate suspension.

The basic accident insured against under boiler coverage is sudden and accidental tearing asunder of the object or any part thereof caused by the internal pressure of the vessel's contents. This may be extended to include piping from insured's fired vessels, furnace explosion where the premium is based on type of fuel used, and cracking of cast iron boilers.

In most cases the accidents under machinery insurance are defined as "a sudden and accidental breaking, deforming, burning out or rupturing of the object or any part thereof, etc." This definition is intended to include the ordinary operating accidents which are sufficiently serious to manifest themselves at the time of their occurrence but to exclude occurrences that are maintenance in character.

With electrical machines a definition

of accident is broadened to include damage caused by fire within the machine. For steam and water turbines three additional optional coverages of a restrictive nature are available: limited breakdown, explosion and combined.

Consequential Damage Covers

To provide for losses resulting from interruption of the usual procedure of business, the companies write use and occupancy, outage and consequential damage covers. A direct damage accident must occur before there is any U. & O. liability.

Outage insurance is written to cover a situation in which the only loss sustained would result from the increased cost of doing business without damaged objects, Mr. Fain said.

Consequential damage cover protects against loss from lack of power, light, heat, and refrigeration. The flowers in a greenhouse will freeze should a boiler accident occur, for instance.

Another indirect coverage is power interruption insurance against loss arising from the total or partial deprivation of usable service, like electric current, steam, water, gas or refrigeration.

Russell Tells How Agents Can Build Their Bond Volume

Since most bonds are placed through attorneys, they constitute the principal point of solicitation for the agents, A. H. Russell, manager of the court and probate department American Surety, said at the Oklahoma casualty school.

As attorneys become accustomed to calling in a particular agent for fiduciary bonds or agree to call him in when the need of a bond next arises, he is on his way to build up a profitable line of business. Contacts with court officials and others in a position to know when a bond is required can also be very helpful to agents. Agents should watch the newspapers and be alert to specific bonds which may be required. The first one to solicit them may be given the opportunity to write them.

Replacing Personal Surety

The agent can encourage use of corporate and surety bonds in place of personal surety. Personal suretyship is unsound from the standpoint of the public, which is supposed to be protected; the court whose duty it is to see that adequate bonds are furnished and maintained, and the personal surety himself.

The Surety Association of America is seeking to bring about changes in laws relating to personal sureties, including making the bonds a lien on the surety's real estate as long as the bond is in force, and persuading probate courts to provide in their rules for a questionnaire to be completed by prospective personal sureties, disclosing fully their financial condition and affirming that they fully understand the obligation they assume. This will likely discourage a personal surety from attempting to qualify and provide real protection for estates where personal sureties do qualify, he said.

Surety companies do not advocate joint control in all cases, but insist on it primarily in long term bonds or where the fiduciary is not well known or is of little experience or financial responsibility, Mr. Russell said. In discussing joint control with applicants for bonds, it should be stressed that the loss, if any, always falls on the principal first, so that his interests are identical with the surety's in preventing loss. While surety companies do not expect an agent exercising joint control to act as legal adviser to the estate, he should have some knowledge of the laws of his state as to what debts are preferred, how the estates of persons dying intestate should be distributed, and what investments are legal. Also when asked to countersign a check he should inquire into the purpose for the expenditure.

Mr. Russell pointed out that direct solicitation may be made of large companies which are likely to be steady or occasional users of court bonds such as companies selling merchandise on the installment basis which may have frequent need for replevin bonds.

In submitting applications, the agent will get quicker and more intelligent cooperation from his company if he will present full information covering four points: The nature of the obligation; the principal and his or her character, capacity and capital; safeguards existing or arrangeable, and how long the bond is likely to run.

your letters warm cheery friendly. Write as you talk. Relax and be natural and it will pay dividends."

Scarcity of Materials Is Boosting Present Prices

Manager J. F. Danaher of the inland marine department at the head office of Fidelity & Guaranty Fire, in its house organ calls attention to the fact that scarcity of materials is boosting prices and that a number of agents are not keeping pace with the times in that they are not checking up values with their customers. He finds that one of the first classes of property to feel seriously the effect of inflationary tendencies through rising costs are so-called luxury goods. Their cost is spiraling upwards. Many of these are the products of master craftsmen of the European countries. These products, for example, fine cameras, guns, lenses, microscopes and surveying instruments are becoming increasingly rare because of the stoppage of imports from the European continent. Therefore prices have gone up rapidly. Mr. Danaher also finds that the over-running of Holland and Belgium by invaders has cut off the supply of cut diamonds particularly of the smaller sizes. Jewelry prices as a result have increased a great deal.

Causes for the Increase

He also states that the rising cost of production and the necessity of employment of skilled artisans for national defense work make the duplication of imports from Europe and Asia at reasonable cost impossible. For instance, many furs come from Asia.

Even if there were no rise in market costs due to present conditions, Mr. Danaher says that the new 10 percent excise tax bill passed in September automatically makes for a rise in the duplication cost of jewelry, furs, cameras and similar luxuries. He points out, therefore, that it is essential for agents to call attention to policyholders of the necessity for inventorying their possessions and obtaining adequate coverage.

For his own company Mr. Danaher said that because of the price rise in jewelry it is prepared to permit an increase of 25 percent in amounts of insurance on scheduled articles of jewelry purchased or appraised prior to Jan. 1, 1941. On appraisals or purchases dur-

ing the present year his company will be willing to grant an increase of 10 percent without reappraisal.

Then, he says, it has been customary to reduce values of furs by at least 10 percent annually for insurance purposes due to wear and tear and obsolescence. However, the present increases in the fur market have prompted his company to refrain from decreasing values on furs insured during the current fur season. There should be an appraisal, he said, of fur garments so that the owner can be sure sufficient insurance is carried. In closing, he said:

"Luxuries will continue to be worn and to be used in spite of their increasing rarity, and as the values increase they become more difficult to replace out of the earnings of the average individual. Therefore, accept this opportunity to enable your commission income to increase with increasing costs by soliciting insurance on scheduled property of the luxury type, and review your records of assureds on the books and make sure the proper increased protection is obtained."

Make Your Letters Human, Advises Frailey

"Make your letters to prospects and insureds human, radiate sunshine, cut off the whiskers!" This was the advice of Professor L. E. Frailey of Northwestern university to those attending a recent insurance gathering.

"What is a letter except another contact?" Professor Frailey said. "It is the projection of a personality across space, a conversation between two people who cannot get together in person."

"It is part of a public relation program and involves all types of letters sales, collection, routine, and other types."

"Therefore if you desire to be successful in your production efforts do not neglect the letter writing side. Make

Convention Dates

Dec. 1-4, National Fire Protection Association Fire Prevention Committee, Chicago, Stevens Hotel.
Dec. 4, Insurance Advertising Conference, New York City, Waldorf-Astoria.
Dec. 8-10, National Association of Insurance Commissioners, mid-winter meeting, New York, Hotel Pennsylvania.
Dec. 9, Arkansas agents mid-year meeting, Little Rock, Marion Hotel.
Dec. 29—American Association of University Teachers of Insurance, New York City, Biltmore Hotel.

Pursues Anti-Trust Angle in Missouri Rate Hearings

(CONTINUED FROM PAGE 4)

manager "on the spot" by eliciting confidential information such as general agent's compensation.

Questioning by the attorney-general became sharp as he sought to get Mr. Thomas to admit that the Western Insurance Bureau, the Subscribers Actuarial Committee and the Western Underwriters Association approve any change in rules. Rules affect rates, he asserted. There was considerable argument over the form of the question. Mr. Thomas said that the actuarial committee sends suggestions to the governing committee, but that he recalled no instance in which the attitude of the Western Insurance Bureau affected W. U. A. action with respect to rules. Mr. Thomas said the rule books were gotten out, he understood, by the various inspection bureaus.

McKittrick asked if E. A. Henne, vice-president of America Fore, while he was on the governing committee and was chairman of the Subscribers Actuarial Committee, didn't impart to the governing committee information regarding the position of the Western Insurance Bureau with respect to changes and modifications of the rules. He also asked if H. A. Clark, vice-president Firemen's, and president of W. I. B., hadn't objected to certain rules and taken up his objections with the governing committee. Mr. Thomas said he didn't recall any such information. McKittrick then questioned him closely as to how he took and later finally drafted minutes of governing committee meetings. He asked Mr. Thomas to produce some of the "unedited" minutes just as the stenographer first transcribed them from her notes on the meetings.

Doesn't Know of Practice

McKittrick also asked if it weren't true that before new rules can be put into effect, the Western Insurance Bureau, Western Underwriters Association, and Subscribers Actuarial Committee have to approve them. Mr. Thomas said he knew of no such practice.

Mr. Thomas was asked if the whole purpose of the W. U. A. isn't, in conjunction with the Western Actuarial Bureau, Subscribers Actuarial Committee and Western Insurance Bureau, to dominate the fire insurance business in Missouri as to rates, rules, forms and commissions. Mr. Thomas said he had no knowledge of the workings of the actuarial committee, actuarial bureau, or W. I. B.

Mr. Thomas declined to admit the W. U. A. governing committee passes on forms. Any requests for form changes his office may receive are passed on to the forms committee.

Rule changes may affect rates and forms, Mr. Thomas said, but not always, and rules have the general purpose of stabilizing the business.

Commission Control

The Subscribers Actuarial Committee's jurisdiction is broader than the governing committee's, Mr. Thomas said. He said the governing committee has no power over rates, though it does limit maximum commission payments. McKittrick failed to get Mr. Thomas to admit this restricted competition. While the W. U. A. tries to get its companies to use proper forms and rates, Mr.

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Thomas could not recall a company ever having been penalized for not having done so.

Objections by attorneys for the companies, which are frequent, base largely on the charge that McKittrick keeps trying to get conclusions rather than facts from the witness, and that questions too often are double-barreled, subject to almost any interpretation.

Mr. Thomas has been answering questions in a forthright manner, and has remained calm even though the questioning and questioner occasionally becomes heated.

State Cooperatives Showing Material Gains

Whether one believes in the cooperative system or not, he is impressed with the gains made by the insurance cooperatives. For instance, the Farm Bureau Life, Farm Bureau Mutual Auto, the Farm Bureau Mutual Fire, all of Columbus, O., which are identified with the Ohio Farm Bureau Cooperatives, showed an increase of from 29 to 88 percent in new business for the first 10 months. The Farm Bureau Life re-

ported a net increase of 36 percent in its business in the ten states and District of Columbia in which it operates. The Farm Bureau Mutual Auto's increase was 29.92 percent. The general liability division of the Farm Bureau Auto showed an increase of 57.12 percent. The new premiums of the fire company which operates in Ohio, Pennsylvania and West Virginia showed an increase of 33.33 percent, the highest being in Pennsylvania with 88.83 percent, and the lowest in Ohio, with 16.21 percent.

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INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

School Cover Plan Worked Out in Kansas City, Kan.

KANSAS CITY, KAN.—Fire and windstorm insurance on all buildings (and contents) of the Kansas City board of education is to be handled through the Kansas City, Kan., Insurers. A committee of the agents' association, headed by L. H. Wingett, with the assistance of the president, Cheney Prouty, members of the executive committee and field men are now completing details; the plan to go into effect shortly, as of Nov. 15. The association has other committees each handling similar arrangements respectively for all insurance of the board of public utilities and of Wyandotte county.

The insurance on school buildings is now carried as individual policies with many companies and local agents, by means of about 500 policies. Under the plan now being carried out, there will be about 90 policies, all on the same blanket form; on a three-year plan, arranged to bring one-sixth of the total premiums due every six months in view of the semi-annual tax receiving periods of the board. A single premium check will be paid the association.

Allocation of the business under the agreement provides so far as possible coverage to be in the same agencies and companies.

Extensive Promotion Drive to Be Staged in Des Moines

DES MOINES—The Des Moines Association of Insurance Agents has started an extensive advertising campaign intended to inform the public regarding the important contributions made by the agents to the city.

The campaign is similar to that recently carried out by the Topeka, Kan., agents.

A series of nine large advertisements will be carried in the local newspapers and 40,000 reprints will be sent directly by the agents to their customers. In addition 10,000 booklets entitled "The Butcher, The Baker and the Candlestick Maker" will be published following a survey of the agents and the employees of the agencies.

The entire cost of the campaign will be approximately \$2,000 to be paid on a pro-rata basis by the agencies. Phil Jester is chairman of the committee handling the program.

Kansas City Association Plans Educational Activity

KANSAS CITY, MO.—An educational division is being planned by the Insurance Agents Association of Kansas City, with the purpose of following the study course program sponsored by the National association. Steps now being taken include gathering of materials and outlining of suggestions, so that the new administration may have such materials available in charting its course.

The annual meeting will be held Dec. 16. Cliff C. Jones heads the nominating committee.

St. Paul Exchange Praised

ST. PAUL—Warm praise for and hearty congratulations to the Insurance Exchange of St. Paul for its part in obtaining enactment of a fire prevention ordinance in St. Paul have been received from W. E. Mallalieu, general manager of the National Board. In a letter to J. V. Merrill, chairman of the safety and

fire prevention committee of the exchange, Mr. Mallalieu says that as far as the National Board records show, St. Paul was the first city "to adopt the ordinance where the joint efforts of a local board affiliated with the National Association of Insurance Agents and the National Board of Fire Underwriters played a part in securing adoption of the ordinance."

The exchange will hold its quarterly meeting Dec. 10.

S. D. After Minn. Reciprocal

MINNEAPOLIS — Attorney-general Temmey of South Dakota has been conferring here with officials of the Retail Lumbermen's Inter-Insurance Exchange of Minneapolis.

South Dakota is seeking to collect \$10,600 from the exchange under a law covering operations of an insurer operating there without a license. This law requires each person in the state who takes out such insurance to pay a 5 percent premium tax and also penalizes the company \$500 for each policy written.

O. D. Hauschild, attorney-in-fact for the exchange, expressed the opinion that the matter would be adjusted satisfactorily to both parties.

Indiana Boards Elect

New officers have been elected by local boards of four Indiana cities—Evansville, East Chicago, New Albany and Lafayette. W. C. Myers, past president of the Indiana Association of Insurance Agents, succeeds H. B. McCoy as president of the Evansville board.

At East Chicago, R. M. Mitchell is the new president, taking the place of Lloyd Hurst.

The new president in New Albany is Harry Weber. The retiring president is Leon Hammer, who has served for seven years in the top position.

At Lafayette the new president is Millard Overton, Jr., who succeeds Will G. Thomas.

The Lafayette board is having a meeting devoted to highway safety Friday. Two representatives of the Indiana state police will appear and show movies.

Mrs. Eldredge to Assist Patton

Mrs. Ruth Eldredge has been named assistant to Secretary Wade Patton of the Kansas Association of Insurance Agents at Hutchinson. She succeeds Miss Dorothy Patton, who is a student at Northwestern University this year. Mrs. Eldredge was for some years with the Smith, Stone & Snyder agency, Wichita, and the Patton agency.

Hedges Opens New Agency

Bob A. Hedges, son of Bert A. Hedges, branch manager of the Business Men's Assurance for northern Oklahoma and Kansas, Wichita, Kan., has opened the Hedges Insurance Agency to write fire, casualty, accident and allied lines with offices at 309 Orpheum building, Wichita, adjoining his father's offices.

Toledo Agency 75 Years Old

Ward Maloy, northwestern Ohio special agent of Glens Falls, presented the Judd Richardson Co., Toledo agency, a plaque for the company in recognition of its 75th anniversary. The agency was founded by the late Ira A. Richardson, father of Judd Richardson, in 1866.

Wichita Christmas Party

The Christmas party of the Wichita Association of Insurance Agents will be

held Dec. 18 with A. E. Small as general chairman. Public officials, office employees and families will be guests, at least 200 being expected. Tom Collins, Kansas City Journal, will speak.

Eugene G. Coombs, special agent of the F. B. I., spoke last week on "Protection from Within." He is a brother of Dorth Coombs of the Anderson-Coombs agency.

Dodge County Agents Elect

WOODLAND, WIS.—Hugo Nachhuber was elected president of the Dodge County Association of Insurance Agents at the annual meeting here. Ernest Neitzel, Horicon, is vice-president, and George Frederick, Beaver Dam, secretary-treasurer.

NEWS BRIEFS

The Iron County, Mich., Association of Insurance Agents at a recent meeting went on record as favoring a suggested fire prevention ordinance for all cities, villages and municipalities in Iron county. President Charles Richards of Crystal Falls has requested Secretary Albert Vallar of Iron River to secure copies of ordinances from the National Board and necessary committees will be appointed in respective communities. Members of this committee are to be a member of the village council, the chief of the fire department and a business man. Guy M. Cox, president of the Michigan Association of Insurance Agents, introduced this matter to the Iron River business men at a meeting some time ago.

Pat Spillman and Helen Booker of the Western Adjustment have charge of the Dec. 12 meeting of the Hutchinson (Kan.) Insurance Women. George M. Lynch, Jr., resident adjuster, Great Bend, will speak. A number of insurance women from Great Bend are expected to be guests.

B. J. Weldon of the Dulaney, Johnston & Priest agency spoke to the Petroleum Accountants Society of Kansas in Wichita on "Recent Changes in Industrial Insurance."

T. J. Ocacek of Columbus, southern Ohio representative of Underwriters Service, is the father of a daughter.

Motion pictures of Minnesota's champion football team will provide the

entertainment at the Dec. 8 meeting of the Insurance Club of Minneapolis. The Minneapolis office of the Maryland Casualty is sponsoring the program. That evening the quarterly meeting of the Minneapolis Underwriters Association will be held.

John Engstrom, Jr., of the Harris, Burns & Co. agency addressed the Wichita Insurance Women on "The V Plan of Insurance."

Arthur Hustad, associate manager of the White & Odell agency of Northwestern National Life, and Tom von Kuster, insurance manager of David C. Bell Investment Co., have been named official "city greeters" by Mayor Kline of Minneapolis.

R. C. Albertus, Defiance, O., local agent, has been appointed service-safety director.

The St. Louis court Cats Meow will give a dinner-dance Dec. 6.

John W. Barrett, head of the Richey-Barrett Co. and former president of the Insurance Board of Cleveland, has been named chairman of the national bowling tournament of the Knights of Columbus, starting March 15. It ranks second only to the American Bowling Congress.

The Insurance Women of Denver will support the defense fund drive by giving a dance Nov. 29 in the Shirley Savoy hotel. Attaches of the Fitzsimmons General Hospital have been invited, and Col. F. F. Wright has been invited to lead the grand march and Governor Carr to represent the state. "Defense Books" containing stamps will be given as favors.

The monthly meeting and Christmas party of the Insurance Women of Milwaukee will be held Dec. 1.

The Insurance Square Club of New Jersey will hold a venison dinner in Newark, Dec. 8, in honor of Judge Albert Craig.

P. F. Cannon, local agent in Clinton, Mass., for nearly 50 years, has sold his agency to J. H. McCann of Worcester and Clinton, because of ill health. The office will be in charge of Henry Flaherty and Paul Lavelle, assisted by Miss Beatrice Cannon, who has conducted the business recently during the illness of her brother.

IN THE SOUTHERN STATES

Tax Equality Urged at Georgia Meet

MACON, GA.—At the close of the mid-year meeting here of the Georgia Association of Insurance Agents, Sidney O. Smith, Gainesville, introduced a resolution, which was adopted, citing the great discrepancy in federal taxes levied on stock and non-stock insurers and calling for more equitable assessment.

Another resolution adopted instructed the executive secretary, Lon Sullivan, to take steps to collect back dues owed by a considerable number of members, and to follow the rule providing that delinquents be dropped at the expiration of the time provided.

Members present showed an enthusiastic determination to make the organization sound and virile, and each accepted appointment as a "committee of one" from President R. L. Ellis to spread the story and aims of the body and to induce other agents to join.

The street and highway safety campaign being conducted by the Atlanta Association of Insurance Agents came in for much discussion, and the state association members voted in favor of

all other local boards inaugurating similar drives. A resolution was adopted instructing the officers to establish a department of safety in the association with Secretary Sullivan as director. Programs for local boards will be outlined, and material prepared for use in talks by members before civic clubs and in high schools.

Analyzes Statements

Herman J. Haas, Haas & Dodd, Atlanta, national councillor, presented an analysis of a stock company annual statement and led a discussion. Oscar Venable, Venable & Fitten, Atlanta, reviewed the effect on the insurance business in the south of the first world war.

Mr. Venable recalled that the first problem which hit the fire insurance business was the complete collapse of the cotton market in 1914. The market did not come back for several years. Mr. Venable also recalled that there was a serious threat to rate stabilization but that serious consequences were averted by the insurance men working together.

Mr. Haas' analysis of the annual statement was intended to show the members how to consider the items in the statement in relation to each other

to determine the soundness of a company's financial structure.

H. P. North, Business Development Office, outlined methods for using B.D.O. material in conducting regional meetings.

At the luncheon, John E. Wilson, Macon, executive committeeman in charge of arrangements, and Ike Chapell, president Macon Board, welcomed the delegates.

Arkansas Agents' Meeting Program

The Arkansas Association of Insurance Agents has announced the program for its mid-year meeting to be held in Little Rock Dec. 9. Headquarters will be the Marion hotel, C. C. Mitchener, secretary-manager, stated. President Van Howell, Fayetteville, will preside. The program is:

Morning Session

Registration.
Meeting called to order by President Van Howell.

"Shortcomings of Local Agents, as Seen by the Field Men," Henry Latham, state agent, Aetna Fire group, Little Rock.

"Shortcomings of Field Men, as Seen by a Local Agent," S. T. Frank, Dumas.

"What the Buyer of Insurance Expects from His Agent," P. E. Newsom, secretary-treasurer Pfeller Bros., Little Rock.

"Information Please," J. W. Ricks, state agent North British group, Little Rock.

Lunch

"Organized Selling," F. W. Westervelt, Jr., assistant director Business Development Office, New York.

"Local Agency Advertising," P. H. Hawes, agency director and advertising manager Central Surety, Kansas City.

Discussion

Executive session.

Adjournment.

Florida Restricts Finance Covers

TALLAHASSEE, FLA.—A far-reaching ruling has been issued by Commissioner Larson on the sale of insurance on financed installment sales. In effect he prohibits the sale or placing of insurance in such contracts by or through any source other than authorized agents representing licensed companies. Automobile and personal property dealers and salesmen are warned that they must qualify as insurance agents if they solicit insurance or receive premium payments for insurance on things they sell.

Sales may not be made with a condition that any particular insurance company or agent shall handle the insurance. The purchaser of any automobile or other property must be designated as the assured in all insurance policies. "The use of coercion or certain inducements to insure risks through any particular agent, or in any particular insurer, is contrary to law and the public interest," Mr. Larson states.

Prohibits Cut Price Practices

Sale prices and deferred payment quotations "lower than otherwise would prevail, upon condition that purchaser assure with that agent or in that company, or with a particular agent or in a particular insurer" are by these new rulings specifically prohibited. Companies will be held responsible if they "issue any policy or contract of insurance, solicited or procured, directly or indirectly, by any person not qualified as an insurance agent."

President Hunter Brown of the Florida Association of Insurance Agents estimates that licensed agents lost over \$2,000,000 premiums during the past year on installment sales. The association provided Mr. Larson with data previous to the ruling.

Nashville Women Elect

NASHVILLE, TENN.—The Nashville Association of Insurance Women, oldest unit of the National association,

has elected these officers: President, Mrs. Hilda LaFever, Dobson-Bainbridge Realty Co.; vice-president, Mrs. Dorothy Stone, Aetna Casualty; recording secretary, Miss Marge Overton, Great American; corresponding secretary, Mrs. Virginia Patterson, Home; treasurer, Mrs. Annetta C. Durham, H. M. Durham agency.

The training school proposed by the association has been postponed until after Christmas.

Expand La. Fire Marshal Staff

NEW ORLEANS—Sheriffs, town marshals, and chiefs of police throughout Louisiana have been named special deputy fire marshals by State Fire Marshal Fournet. They will serve without pay. Under this expansion plan, Mr.

Fournet expects that about 142,000 inspections will be made next year, compared with an average of 132,000 made by the normal office force in recent years.

OPM "Blackout" Relaxed

NASHVILLE, TENN.—Regulations for the OPM "blackout" of store window and display lighting has been relaxed at the urgent request of fire prevention officials to permit use of not exceeding two 60-watt lights at or near the store front. This change followed orders by State Fire Marshal McCormack against use of any type of oil lamp. More than one inch of rain has fallen in the southeastern drought area in the past week and it is believed that the curtailment of electric current will end soon.

PACIFIC COAST AND MOUNTAIN

Washington Agents Hold Fall Parley in Seattle

SEATTLE—The "V-Plan for Insurance" was presented at the fall meeting of the executive committee and local board presidents of the Washington Association of Insurance Agents here by Charles P. Carroll, Spokane, chairman of the committee and national councillor. He stressed the many activities which it suggests, particularly the long-range educational and public relations programs.

Reports on the National convention were made by Alfred W. White, president King County Insurance Association, and W. H. Harmer, secretary-treasurer of the state association. Mr. Harmer presented final audits of the state association's finances covering the last fiscal year.

Discusses New Decision

H. T. Anthony, Spokane, discussed the status of real estate brokers' bonds in Washington, in light of a recent supreme court decision which imposes multiple liability under the \$1,000 statutory bond. As a result, he said, surety companies have either withdrawn entirely from the writing of this class, or have sharply curtailed their acceptance of risks. A change in the law was urged at the 1941 legislative session.

Abolition of the post of insurance manager of the Washington State Liquor Control Board presages a major change in the state's method of purchasing insurance, it was pointed out. It was reported that plans for insurance-buying are being formulated by the state department of finance and budget. It was decided to appoint a committee to keep in touch with developments and confer with the department so that agents' interests will be protected under the proposed new set-up.

A state-wide series of educational meetings is being planned in connection with a membership drive which will be launched after the first of the year, Norman S. Walker, Longview, chairman membership committee, explained. At each meeting it is planned to show the Aetna affiliated companies' sound motion picture, "45 Years of Progress." Members of the state association executive committee will attend the regional meetings.

Rural Protection Extended

Steady development of new rural fire protection districts, with resultant reductions in fire insurance rates, was reported by A. J. Peters, Issaquah, chairman rural agents' committee. Orrin L. Madison, Seattle, reported the most active fire prevention campaign in many years, pointing out that the need for fire defenses in the present national emergency is creating new interest. Agents are cooperating with local fire departments in building up fire defenses and

encouraging formation of fire parties, he said.

Governor Langlie has pledged his support to the formation of a state traffic-safety council, Carl M. Ballard, Seattle, reported. The state association has been advocating such a move for many years.

Byron B. Hillen, Seattle, chairman bank contact committee, urged continued use of the specially-prepared automobile finance folder for attracting bank financing on car purchases. Mr. Anthony reported on the meeting with the Washington Advisory Committee.

Eye Auto Club Competition

Encroachment of the Inland Automobile Association into the insurance business, through the representation of a mutual, was discussed by Mr. Carroll. He pointed out that the agents had requested the conference companies to write a towing and roadside service coverage in Washington, thus furnishing the producers with a weapon to meet automobile club competition, but that so far no action has been taken.

A report on the activities of the Surplus Line Association was made by Irwin Mesher, executive secretary of the state association, who is also serving as arbitrator for the Surplus Line Association. He said that there have already been a number of instances where admitted carriers have secured lines which formerly were improperly placed in the non-admitted market. He called on the agents to cooperate in properly enforcing the surplus line law.

President F. N. Bellingar, Bellingham, opened the meeting with some preliminary remarks, and Mr. Carroll, chairman of the committee, presided.

Washington Concludes Educational Parleys

SEATTLE—The state-wide educational program sponsored jointly by Washington field men and agents ended with a session here on business interruption insurance. More than 300 attended the 17 meetings held in the key towns and cities of the state.

Members of the King County Insurance Association heard a five-man panel discuss the current sales opportunities for U. & O. G. Emery Moore, Fireman's Fund, was chairman. Members of the panel included Louis LaBow and Orion D. Starr, Seattle agents, and F. P. Guptill, Hartford Fire, and Anderson S. Joy, manager Travelers Fire.

The field men's committee was divided between western and eastern Washington. H. H. Bartlett, St. Paul F. & M., headed the west-side committee, while A. S. Heatfield, Selbach &

Deans, was in charge of the work for the Inland Empire Fire Underwriters Association. Louis LaBow was chairman of the state agents' association committee.

Fire Insurance History Reviewed

PORTLAND, ORE.—The Portland Blanket Club heard some sidelights on the history of fire insurance from John E. Meeke, special agent Fireman's Fund. He traced the development of rating bureaus and types of insurance carriers. Hampton Allen and Walter Rossow presented short talks on current events. President Fred Greer designated Ken Daugherty, William Hawksley and James Clafin to present current event talks at the next meeting.

Exchange Governor Slate

SAN FRANCISCO—Walter Pollard, James E. Reader and R. D. Connolly have been nominated for board of governors of the Insurance Brokers Exchange of San Francisco. Mr. Connolly has been president the past year and is expected to be succeeded in that capacity by Elmer C. Gunther at the election Dec. 10. The exchange's Christmas luncheon party Dec. 17 this year will also serve to celebrate the 35th anniversary of the organization, which was formed following the fire and earthquake of 1906 to stabilize the fire insurance business.

New Agency in Spokane

A new agency to be known as the Bryan-Nelson agency is being opened in Spokane, Wash., by L. J. Nelson and G. L. Bryan. Mr. Nelson has been with Northwestern Mutual Fire, Northwest Casualty and Martin General Agency 19 years, and branch manager in Spokane for six years. Mr. Bryan has been in the automobile business in Spokane 20 years. Mr. Nelson will manage the new agency.

Glazer Wins Auto Club Award

Barney Glazer, Los Angeles local agent, won first prize of \$50 offered by the National Automobile Club in its essay contest on "How I Use National Automobile Club to Increase and Hold My Business." Second prize of \$25 was won by Harold W. Marsan of Oakland. W. D. Schlitz, San Francisco broker, won third prize of \$10.

Dedicate New Napa Pumper

Alarmed at increased hazards resulting from a sudden influx of population under the stress of national defense emergencies, Napa, Cal., has purchased a new 1,000-gallon pumper for its fire department. The new apparatus was dedicated at a civic luncheon attended by practically every member of the Napa County Association of Insurance Agents, together with field men and company officials.

Brokers Society Nominations

SAN FRANCISCO—S. M. Kahn and James Vizzard have been nominated for members of the arbitration committee of the Society of Insurance Brokers. The annual meeting will be held Dec. 9.

Bonstin Speaker on U. & O.

SAN FRANCISCO—A. H. Bonstin, special agent New York Underwriters, San Francisco, one of the principal

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speakers at the recent convention of the California Association of Insurance Agents, led a discussion on use and occupancy at the Nov. 26 luncheon meeting of the Fire Underwriters Forum.

Farewell Luncheon for Elmore

LOS ANGELES—About 50 friends of Roy O. Elmore, who was in charge of the Los Angeles branch office of Pacific National Fire, tendered him a luncheon. Mr. Elmore recently has been called back to the office in San Francisco.

Marine Talk in Seattle

Richard Calder of Marsh & McLennan spoke at the Seattle Blanket Club's dinner session on "Ocean Marine Insurance." It was the first of a series of marine insurance talks to be given at the club's meetings.

NEWS BRIEFS

J. R. Skaletar and Max Klein of Los Angeles have been convicted of transacting insurance for an unauthorized

company in San Diego and fined \$150 each. The arrests were the result of an investigation by the San Diego branch office of the California department.

H. A. Kern, agency secretary of Central Manufacturers' Mutual, has been in San Francisco conferring with H. L. Petrey, manager there. He returned to Van Wert via the Pacific Northwest.

Marshall Paxton of Edward Brown & Sons Los Angeles office addressed Whittier, Cal., agents on "The Standard Form Fire Policy." The talk was sponsored by the Southern California Fire Underwriters Association.

Albion Ross, foreign editor of the San Francisco "Chronicle," is addressing the luncheon meeting of the Insurance Accountants Association of San Francisco Thursday of this week on international affairs.

R. W. Neighbor & Co. is a new agency formed by Robert Neighbor, Jr., 1015 Bedell building, Portland, Ore.

Sid Schaudies, formerly manager at Renton, Wash., for Vincent D. Miller, Inc., has opened a new office here known as Totem Realtors. Bettijane Stoneburner is in charge of the insurance department.

The expense was found to be too great for the limited services. Frank Solomon has been executive manager of the bureau since its inception.

Panel on Reporting Forms

PITTSBURGH—A panel discussion on reporting forms will be held at the meeting of the Pittsburgh Association of Insurance Agents Dec. 11.

Experts who will participate include T. D. McCarl, assistant manager Interstate Underwriters Board, New York; W. Kaye Estep, manager Allegheny division Middle Department Rating Association and president of the Insurance Club of Pittsburgh; J. Sherman Campbell, president Keystone Adjustment Corporation; A. J. Ruth, special agent, Fire Association.

Pittsburgh insurance men generally have been invited to attend.

Washington Mutual Expands

The Washington County Mutual Fire, Washington, Pa., which has been operating only in Pennsylvania, is now arranging to enter Delaware and Maryland for fire and allied lines. C. E. Wood of Milford, Del., is appointed general agent for the two states. The company will write general business on strictly an agency basis.

Spear Opens Second Branch

Sid G. Spear, prominent agent who operates under his own name with office in Malone, N. Y., has opened a branch office in Massena, N. Y., in charge of F. W. Tierney. Mr. Tierney has been associated with the head office in Malone for several years. Mr. Spear, who had one of the largest insurance businesses in northern New York, now has two branches as several months ago he opened his first branch in Brushton.

NEWS BRIEFS

John C. Caldwell, enforcement officer of the Boston Board and deputy state fire coordinator of the Massachusetts State Defense Council, will lecture on private fire brigades in Westborough, Mass., Nov. 27-28 before the heads of 16 state institutions.

The Roxbury branch office of Field & Cowles of Boston, operated since 1906, has been discontinued.

J. D. Babb, local agent, has been elected president of the Kiwanis Club of Pittsburgh.

CANADIAN

Plan to Revamp Toronto City Insurance Presented

TORONTO—A recommendation that this city's 398 fire insurance policies be consolidated to not more than 100 is contained in an interim report presented to the city by the Toronto Insurance Conference, which has been acting in an advisory capacity at the request of the city.

The report recommends that the 213 policies covering the "main city schedule" be reduced to not more than 50, and the 185 individual policies, covering miscellaneous properties outside the main city schedule, also be reduced to about 50.

Several months ago the city decided to consider the advisability of inaugurating a self-insurance fund to replace existing fire insurance policies. The conference was asked to prepare a survey of the city's fire insurance.

Although most of the report is concerned with an examination of the city's fire insurance policies, other matters dealt with include special risks insurance, fidelity bonds, boiler insurance and elevator insurance.

Dealing first with the main city schedule of fire insurance, the committee says "the method of handling this schedule appears satisfactory."

The main schedule refers, roughly, to insurance on permanently owned property, which is covered at \$22,000,000 for 50 cents per \$100 for a three-year term, with premium of \$110,000 payable in advance.

"This low rate," says the report, "is the result of a very favorable loss record over a period of many years; also many of the buildings are now of better than ordinary construction, and there has been material improvement in fire protection, etc."

As an indication of the improved rate given Toronto, the committee notes that from 1919-22 the city paid \$110,612 in premiums for \$6,320,700 insurance, while today approximately the same premium covers \$22,000,000.

Rate Reduction in London, Ont.

A reduction of 10 cents in the key rate on fire insurance premiums in the business area, applicable on future policies and renewals, has been announced by the London, Ont., Fire & Casualty Insurance Agents' Association. Actually, it is stated, this will amount to a reduction of from 7 to 9 cents on poli-

EASTERN STATES ACTIVITIES

New England Advisory Board Reelects Officers

BOSTON—The New England Advisory Board of the New England Association of Insurance Agents has elected the following officers, all being reelections: Chairman, Harold W. Hatch, New Britain, Conn.; first vice-chairman, Alpheus B. White, Keene, N. H.; second vice-chairman, Harold F. Shea, Barre, Vt.; secretary-treasurer, Paul H. Taylor, New Haven, Conn.

Cooperate on Defense Activities

BOSTON—Representatives of stock and mutual fire companies met with Commissioner Harrington to promote cooperation with the Massachusetts State Defense Council on a program to be followed in case of emergency. It was planned to establish headquarters for the activities of the companies in a building in the Back Bay where there will be an extended exhibit of emergency kits, a bombproof shelter made by Massachusetts Institute of Technology students, and simulation of other defense preparations. The committee for the stock companies will include President W. R. Hedge, Boston and Old Colony; E. C. Stone, United States manager Employers Liability, and President W. B. Cruttenden, Springfield Fire & Marine. The mutual companies will be represented by H. P. MacArthur, Quincy Mutual; George Howell, Mutual Adjustment Bureau, Salem, and C. E. Hogan, Middlesex Mutual, Concord.

Percy C. Charnock, assistant manager New England Fire Insurance Rating Association, has been appointed state fire coordinator of the Defense Council, to succeed Lester Watson, resigned.

Glendening Philadelphia Chairman

John Glendening has been elected chairman of the executive committee of the Philadelphia Fire Underwriters Association. The secretary is J. S. Trump. Those elected to the executive committee include Richard Cross, P. H. Mell and George V. Smith.

Mass. Committees Appointed

BOSTON—Paul J. Woodcome, Fitchburg, president Massachusetts Association of Insurance Agents, has appointed his committee chairmen: Finance, Fred R. Smith, Haverhill; membership, H. D. Barnes, Pittsfield; conference, Mr. Woodcome; legislative, J. F. Haller, Boston; rural agents, H. E. Crippen, North Adams; fire prevention, T. E. Babb, Jr., Worcester; accident preven-

tion, Harvey R. Preston, Springfield; publicity and education, F. R. A. McGlynn, Worcester; Business Development Office, Edwin J. Cole, Fall River; qualification of agents, F. H. Thompson, Athol.

Pittsburgh Classes Start Dec. 2

PITTSBURGH—The Insurance Club of Pittsburgh will begin its seventh consecutive insurance school with the cooperation of other Pittsburgh insurance organizations and the public schools beginning Dec. 2.

Lectures on fire, marine and casualty lines will be presented at classes on Tuesday and Thursday evenings. The final examination is scheduled for May 7.

Dr. Ascher Isaacs, associate professor of economics school of business administration University of Pittsburgh, will be the group advisor for the courses this year.

Drop Boston Clearing House

BOSTON—The Boston Insurance Clearing House Association, which has served general agencies, agents and brokers of Boston and the metropolitan district for 17 years for adjustment and settlement of inter-office balances, will be discontinued Feb. 1. The bureau was started in 1924 by about 40 leading Boston general agencies, which felt the need of a better method of handling their credit relations. With the changing times, and agencies generally taking care of their own accounts and placing of business, the general agencies have one by one been dropping out until only 14 subscribers were taking the service.

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cies affected, depending on the type of insurance.

The new ruling will be applicable to buildings and contents, but will not apply to sprinklered risks or fireproof building now enjoying a minimum rate.

Seeks Action on Quebec Rates

MONTREAL—With the Quebec provincial legislature due to meet early in January, the Royal Automobile Club of Canada is urging legislation designed to reduce automobile liability rates. Premier Godbout named a committee to study the subject. It has done some preliminary work and will sit again shortly to conclude its studies.

G. A. McNamee, manager Royal Automobile Club, contends that automobile rates are 60 percent higher in Quebec than in Ontario. He favors the passage of a financial responsibility law and elimination of fictitious fleets.

Winnipeg Institute Program

The Winnipeg (Man.) Insurance Institute has announced its lectures for the season. The first was held Nov. 17, with N. J. Black, Commercial Union, on "Insurance as a Social Factor and Insurance as an Occupation." Then will follow a weekly series of lectures until April 8, when G. S. Stewart, Canadian Fire, will talk on "Underwriting and Reinsurance." D. B. Murray, Pool Insurance Company, is president; H. P. Ham, British America, vice-president;

G. E. Budden, Western Canada Insurance Underwriters Association, secretary.

New Rate Manual Sought

SUDBURY, ONT.—Publication of new rate manual by the Canadian Underwriters Association was asked at the annual meeting of the Sudbury Fire & Casualty Insurance Agents' Association. The association asks that the C.U.A. bring all rates up to date rather than continue to make it necessary to remember all the 10 percent and 15 percent reductions which might or might not apply.

E. J. Donegan was elected president; M. Dube, vice-president; A. R. M. Ritari, secretary-treasurer.

Vancouver Institute Elects

VANCOUVER, B. C.—W. G. Gerard, branch manager Northern, has been elected president of the Insurance Institute of Vancouver, succeeding F. A. Burgess. R. G. Boyd has been reelected vice-president. The council includes H. G. M. Wilson, British Columbia Underwriters Association; O. O. M. Woodman, Bell Irving Insurance Agencies; H. C. Grant, Osler, Hammond & Nanton; F. M. Hann, Hobson, Christie & Co.; J. E. Rose, London & Lancashire; F. W. Kendrick, B. C. Underwriters Association, and F. Temple Keeling, Seeley & Co. C. D. Craig is secretary.

MARINE INSURANCE NEWS

Post-Season Rates for Lake Ore Boats Sharply Reduced

As a defense measure the Great Lakes Underwriting Syndicate has sharply reduced hull rates for the period following Nov. 30. The rates apply only to iron ore carrying bottoms. For the first five days after midnight of Nov. 30 the newly promulgated rates are 3 cents per \$100 valuation per day, and for the period thereafter five cents per \$100 per day.

Ordinarily Dec. 12 is the last day on which underwriters will accept liability, and the boat must leave the last loading port by midnight of that date. While under the new rates there is no restriction on the time beyond Dec. 12 for accepting coverage, the weather probably will prevent ore shipping much beyond that date.

The following rates formerly were in effect from Nov. 30 to Dec. 12: $\frac{3}{4}$ of 1 percent, or 75 cents per \$100, for the first five days, regardless of length of voyage; 1½ percent for the next four days, or \$1.12½ and 1½ percent or \$1.50 for the next three days.

P. & I. Rates Follow

Protection and indemnity rates reflect proportionately the reduction in hull charges. No change has been indicated with respect to rates on disbursements cover except where operations are on one lake only, and in that case there is a reduction of 25 percent. Disbursements coverage is protection against total loss. The value of ore carrying hulls is figured at \$75 per gross ton. It may cost the operator \$95. per gross ton to replace the boat in case of total loss, and this difference is insured under the disbursements cover.

As a rule cargo rates, which are not regulated, do not advance after Nov. 30, as do hull and P. & I., on "non-perishable" cargoes such as coal, iron ore, stone, etc. However, there are usually increases on grain cargoes, which, if grounded, might suffer considerable loss as a result of long exposure and lack of proper care.

There is one proviso with respect to

sailings after Dec. 12. Such sailings must be approved by the U. S. Salvage Association, which gathers information on weather, ice conditions, etc.

There is a general idea that the underwriters decide when the season closes, but weather is the determining factor. When the Straits of Mackinac and the St. Mary's river freeze traffic ceases to move. Some of the light-houses are remotely located and keepers have to get off before they are frozen in so that many of them are not in operation after Dec. 12.

Another factor of considerable importance is the freezing of the ore itself. When it comes out of the mine it contains a great deal of moisture. Freezing makes loading impossible. Some of the loading docks have installed steam equipment to thaw the ore, but even this is not effective in face of low temperatures.

By the end of 1941 more than 75 million tons of iron ore will have been transported in lake traffic, underwriters say. This is 11,000,000 tons greater than the previous high year of 1929, when the total was 64,500,000 tons. In 1940 lake traffic handled 62,700,000 tons of iron ore.

Ask Change in New Canada P. P. Floater

TORONTO—Although the new Canadian personal property floater is scheduled to go into effect Jan. 1, there has been so much complaint from agents that many observers expect some changes. Agents have complained to their companies that the new form will create unnecessary hardships and sales resistance.

The four main objections are the \$15 franchise clause, the increase of the minimum premium to \$35, the requirement of completing estimated values and incorporating them in the policy, and the limitation of jewelry, watches and furs in the home to \$500.

See Sales Difficulties

The present minimum premium is \$25 and agents claim they must resell the coverage at a higher cost and, at the same time, with the \$15 franchise clause. They claim the valuation feature will re-

quire appraisals of household articles and prolong sales unreasonably. While the jewelry limitation has generally been \$500, there have been cases where more protection was allowed and this business will be jeopardized, agents believe.

There is a difference of opinion on the value of the franchise clause, many claim men believing that it will result only in petty or nuisance claims being increased to more than \$15. The only immediate remedy for this, they believe, would be a straight deductible. Agents argue that whatever plan may be adopted to stop nuisance claims should not apply to fire and theft losses in residences.

MOTOR

Kansas OK's Auto Policy

NEW YORK—Approval has been given by the Kansas department to the revised physical damage policy recently submitted by the National Automobile Underwriters Association, with two important changes, and will accept the new contract when filed by companies individually.

Condition 1 as amended reads: "(a) use every reasonable means to protect the automobile covered by this policy from any further loss; reasonable expense incurred in affording such protection shall be deemed incurred at the company's request."

Revised condition 2 provides that the words "made within 30 days after receipt of proof of loss by the company" be substituted for the former stipulation that the period be 60 days.

In addition these new and revised endorsements have been sanctioned for use in Kansas. Limitation of use endorsement commercial automobiles; limitation of use endorsements-buses; school bus collision endorsement; automatic coverage endorsement—fleet collision endorsement, Nos. 1 and 2. Finance forms Nos. 4, 5 and 7, the association advises, have been filed and approved, and companies cautioned against use of the finance certificate and finance forms 1, 2, 3 and 6 in Kansas. Use of master finance policies is not permitted.

Following filing, the revised policy with changes may be optionally used in Kansas until Jan. 1, after which date their use becomes mandatory.

Uphold Wrecker Ordinance

DALLAS—The Dallas wrecker ordinance, prohibiting private garage owners from making unsolicited runs to the scenes of wrecks and soliciting business from wrecked car owners, has been declared valid by the fifth court of civil appeals, which reversed the decision of the local court which held the ordinance invalid and enjoined its enforcement. Garage owners will probably appeal to the state supreme court.

B. D. O. Makes Study of Record

(CONTINUED FROM PAGE 3)

There is a comparison of the record in 1932 with that in 1940. In the former year the stock companies wrote \$660,584,334 in premiums which was 86.5 percent of total writings of all types of carriers. They paid \$401,077,657 in losses or 89.3 percent of total losses. Thus the percentage of total premiums written by stock companies had declined from 1932 by 1½ points but the participation of these companies in losses had declined by 4 points. Mutual companies in 1932 wrote 11 percent of the total premiums and paid 8.4 percent of the total losses. In 1940 the corresponding figures were 12.4 percent and 11.7 percent.

There is a separate table showing the record of factory mutual companies. The B.D.O. states that this reveals a steady

downward trend of the ratios of premium deposit refunds to premium deposits in force, indicating that the net cost of factory mutual insurance has been increasing during the past five years.

The factory mutuals for 1940 had net premium deposits written \$23,634,134 as compared with \$25,311,341 in 1936. Losses paid in 1940 were \$2,645,748 compared with \$2,960,935 in 1936. Net premium deposits in force as of Dec. 31, 1940 were \$55,606,257 as compared with \$48,106,963 in 1936. Losses incurred were \$3,115,439 in 1940 and \$3,077,230 in 1936. The premium deposit refunds in 1940 were \$16,800,353 as compared with \$20,489,808 in 1936. The ratio of premium deposit refunds to premium deposits in force was 30.2 percent in 1940 and 42.6 percent in 1936.

There is a study showing the division of reciprocal business as between those exchanges writing automobile insurance exclusively and those that write a general classification of fire and allied lines. In 1940 the automobile exchanges had \$18,925,504 in premiums while the other exchanges had \$9,005,264.

The number of stock companies included in the total for 1940 was 357, the numbers of mutual companies 226, reciprocals, 43, and eight Lloyds.

New Committees Are Named for Agents Body

(CONTINUED FROM PAGE 3)

from the previous year is the finance committee, which will have, as for several years past, C. Stanley Stults of Hightstown, N. J., chairman.

Other committee chairmen reappointed include Archie B. Millard of Grand Rapids, who will again head the accident prevention committee; Hunter Brown, Pensacola, Fla., chairman inland marine committee; J. M. Hannaford, St. Paul, program, and Alex H. Case, Marion, Kan., rural agents.

Escott's Position Clarified

In the full page advertisement of Secured Fire & Marine of Indianapolis appearing in the Oct. 30 issue, according to the presentation of the copy, it might be assumed that Ivan Escott, vice-president of Home of New York, is an active official of Secured. While Alwin E. Bulau, state agent of Home for Indiana, is a director of Secured, Mr. Escott is, in fact, associated with several prominent Indiana local agents and others as a member of an advisory committee but has no connection with the company in an official capacity. This arrangement has been entered into because of the mutual interest of both companies in the surplus line reinsurance contract which Secured has made with Home to enhance the value of Secured to its agents.

Columbus District Meeting Jan. 19

In honor of Max M. Fulk of Chillicothe, recently elected a trustee of the Ohio Association of Insurance Agents, a district meeting will be held in Columbus Jan. 19. All agents in the district will be invited, together with the members of their agency staffs.

To Okla. for K. C. F. & M.

John Slade has been appointed state agent in Oklahoma for the Kansas City Fire & Marine. He will have headquarters in Kansas City.

Out of every 100 merchants and manufacturers who have a fire, 43 are forced out of business and another 17 can no longer furnish a financial statement and still another 14 suffers serious reduction in their credit rating.

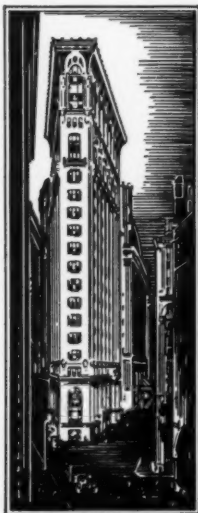
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NEW YORK, N. Y. • Incorporated 1926

AMERICAN ALLIANCE INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1897

ROCHESTER AMERICAN INSURANCE COMPANY

NEW YORK, N. Y. • Incorporated 1928

DETROIT FIRE & MARINE INSURANCE COMPANY

DETROIT, MICH. • Incorporated 1866

MASSACHUSETTS FIRE & MARINE INSURANCE COMPANY

BOSTON, MASS. • Incorporated 1910

THE NORTH CAROLINA HOME INSURANCE COMPANY

RALEIGH, N. C. • Incorporated 1868

COUNTY FIRE INSURANCE COMPANY OF PHILADELPHIA

PHILADELPHIA, PA. • Incorporated 1832

THE AMERICAN NATIONAL FIRE INSURANCE COMPANY

COLUMBUS, O. • Incorporated 1914

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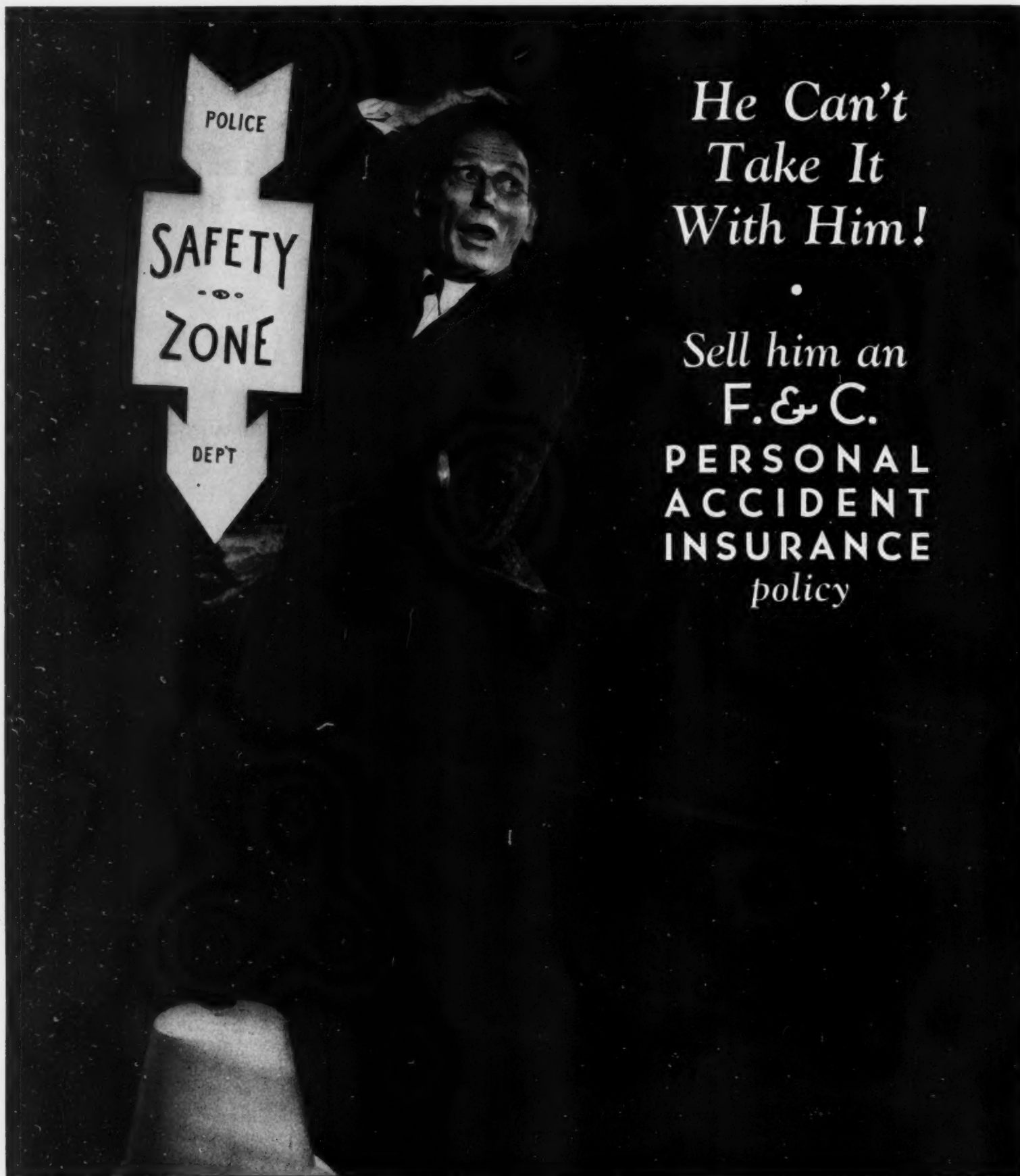
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